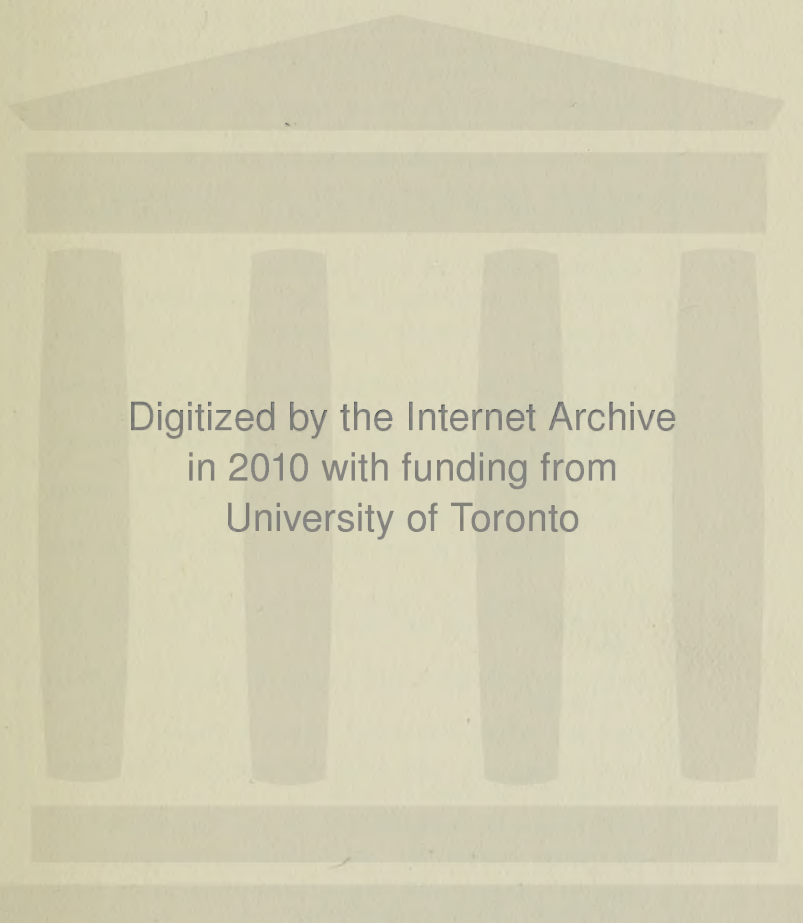


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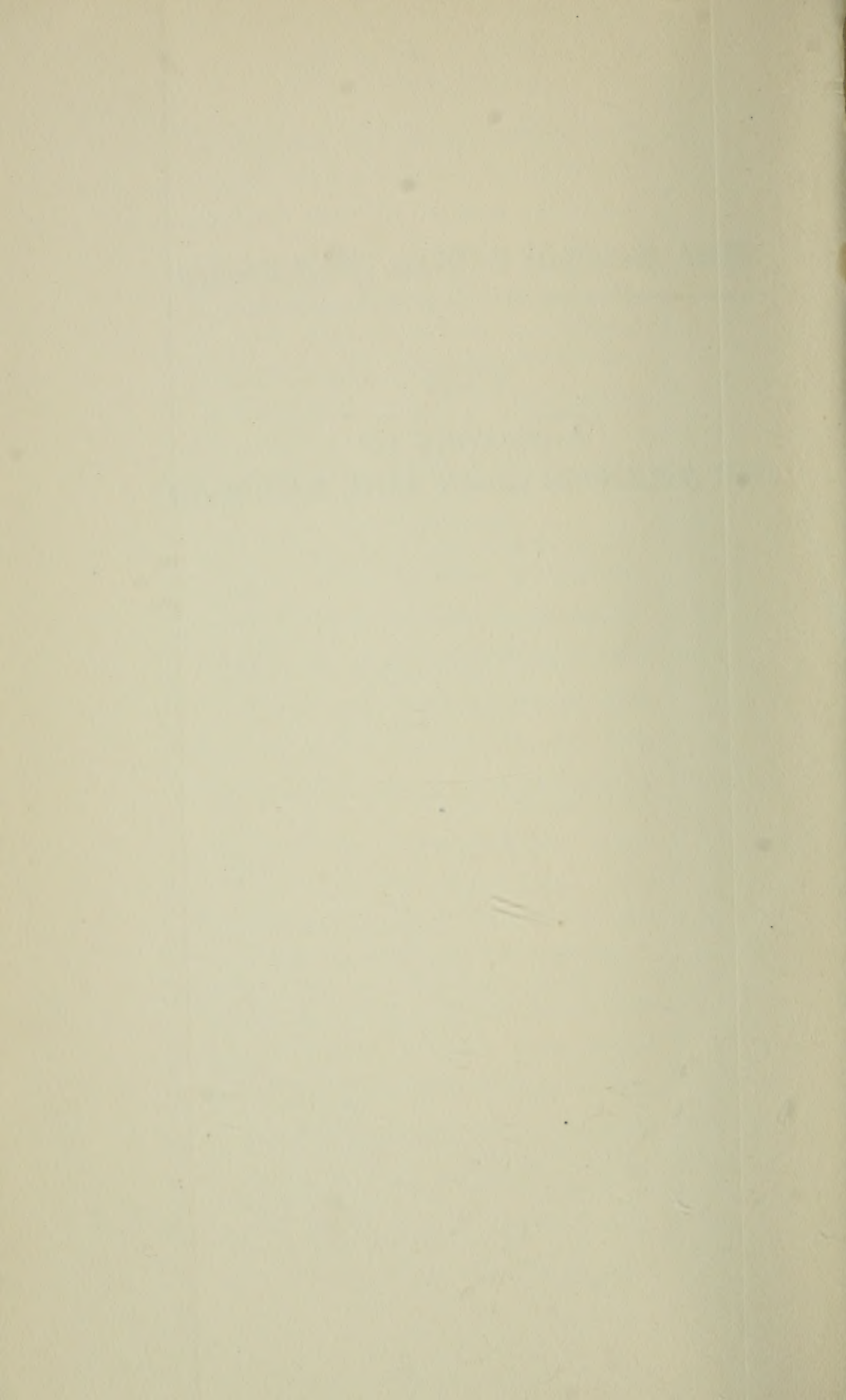
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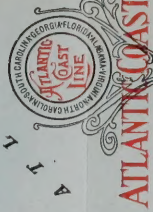
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Hart, Schaffner & Marx Prize Essays

XXIX

**A HISTORY OF
THE ATLANTIC COAST LINE RAILROAD**





ATLANTIC COAST LINE

and transportation lines in which it is interested to the extent of a half interest or more, by stock ownership, lease or otherwise.

December 31, 1915

GULF OF MEXICO

— Atlantic Coast Line, 4,852.21 Miles
 — Other Railroads in which Atlantic Coast Line holds half or greater interest, 8,390.32 Miles
 Total Rail Lines, 13,242.53 Miles

— P. & O. S. S. Lines 358 Miles

D755h

A HISTORY OF THE ATLANTIC COAST LINE RAILROAD

BY

HOWARD DOUGLAS DOZIER, PH. D.

PROFESSOR OF ECONOMICS, DARTMOUTH COLLEGE



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BOSTON AND NEW YORK
HOUGHTON MIFFLIN COMPANY

The Riverside Press Cambridge

1920

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TO
K. B. D.

PREFACE

THIS series of books owes its existence to the generosity of Messrs. Hart, Schaffner & Marx, of Chicago, who have shown a special interest in trying to draw the attention of American youth to the study of economic and commercial subjects. For this purpose they have delegated to the undersigned committee the task of selecting or approving of topics, making announcements, and awarding prizes annually for those who wish to compete.

For the year ending June 1, 1918, there were offered:

In Class A, which included any American without restriction, a first prize of \$1000, and a second prize of \$500.

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Any essay submitted in Class B, if deemed of sufficient merit, could receive a prize in Class A.

The present volume, submitted in Class A, was awarded second prize in that class.

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University of Michigan

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N. Y. Evening Post

THEODORE E. BURTON
New York City

AUTHOR'S PREFACE

THIS volume owes its existence to a suggestion of Dr. Arthur S. Dewing, formerly of the Economics faculty of Yale University, now of the Harvard, that the consolidation of a number of short railroads along the South Atlantic Seaboard into the Atlantic Coast Line System illustrates well the growth of the holding company period of American railroads and its decline. To determine to what extent this is true the work was originally undertaken. It soon became evident that the location of the early constituent roads was determined by the geographical influence of the fall line, and that they, when once built, had a peculiarly marked influence on the economic conditions of the section of country through which they ran.

As the work progressed it seemed worth while to broaden somewhat its scope and to make a study of the history of the road with the economic history and economic conditions of the section as a background. The results of this study were submitted to and accepted by the Yale faculty as a dissertation for the degree of Doctor of Philosophy. With changes and additions they now appear in permanent form and may be summarized as follows:

The Atlantic Coast Line Railroad is the result of the consolidation of more than a hundred railroads stretching along the Atlantic Coast from Richmond, Virginia, to Fort Myers, Florida. The period of consolidation came later than in the case of most other railroad systems, due to the retarding influences of the Civil War, followed by those of the panic of 1873. From an historical point of view chief interest centers in the roads connecting the towns between Richmond and Wilmington — the Richmond and Petersburg, the Petersburg, and the Wilmington and Weldon

Railroads. Of these, the Richmond and Petersburg, twenty-two miles long, was the parent company. A short and prosperous line, it acquired the Petersburg, a longer and less prosperous neighbor, and became the Atlantic Coast Line Railroad of Virginia. This in turn acquired a system of roads of greater mileage than itself, the Atlantic Coast Line of South Carolina, also the Wilmington and Weldon Railroad, and was rechartered as the Atlantic Coast Line Railroad Company. Farther south the Savannah, Florida, and Western developed from a large number of unsuccessful roads into a successful system and was purchased outright by the Atlantic Coast Line Railroad Company. The last important acquisition was that of the majority of the stock of the Louisville and Nashville. Control of this system, secured by accident rather than design, has proved profitable. Neither the original parent company nor any of its successors has ever undergone a reorganization.

Though constructed originally for local purposes, these lines developed into a continuous system and became the main thoroughfare of north-and-south travel, thus entering into competition with steamship lines. Only when acting as a unit could the roads meet successfully this competition. They collected produce at the fall line towns and carried it overland, partially supplanting water transportation. When physical connections were made, gaps closed, and the gauges standardized, through trains were possible. These enabled farmers along the route to grow the perishable truck crops and fruit in addition to the staple, cotton. By marketing cotton and naval stores, and by developing the trucking industry, the Atlantic Coast Line Railroad has rendered its greatest service to its patrons.

The author is indebted to Dr. Arthur S. Dewing and to Professor L. D. H. Weld, formerly head of the School of Business Administration of Yale University, now head of the Department of Commercial Research of Swift and Company, for helpful suggestions in the early stages of the

study; to Professor Arthur W. Shelton, formerly head of the School of Commerce of the University of Georgia, now with the Interstate Commerce Commission, for reading the entire manuscript and offering valuable criticisms; to many officials of the railroad company for aid in securing information otherwise unobtainable, especially to Mr. Lyman Delano, vice-president, for access to all records and documents in the general offices of the company at Wilmington, North Carolina; to Mr. H. L. Borden, vice-president and secretary, for first-hand information, and to Mr. Samuel B. Woods, formerly assistant to general counsel, for a copy of a statement with regard to the road filed with the Interstate Commerce Commission; to Professor C. W. Doten, of the Massachusetts Institute of Technology, for reading the manuscript and suggesting improvements and for a careful reading of the proof; most of all, to my wife, who helped in collecting much of the material, assisted in its presentation, did all of the typing, read the proof, and willingly underwent the sacrifices of the years of graduate study while the work was being done.

H. D. D.

DARTMOUTH COLLEGE
HANOVER, NEW HAMPSHIRE
January 1, 1920

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A HISTORY OF THE ATLANTIC COAST LINE RAILROAD

CHAPTER I

EARLY TRADE AND TRANSPORTATION CONDITIONS OF THE ATLANTIC SEABOARD STATES

THE Atlantic Coast Line Railroad is one of the five principal railway systems of the South.¹ It owns and operates a system of roads in the states of Virginia, North Carolina, South Carolina, Georgia, Florida, and Alabama, amounting to 4661 miles of line.² In addition to this, it owns the majority of stock of the Louisville and Nashville Railroad Company,³ which owns and operates 7507 miles of line.⁴ These two roads lease the Georgia Railroad. Through this lease the Atlantic Coast Line and the Louisville and Nashville control fifty per cent of the stock of the Western Railway of Alabama and forty-seven per cent of the stock of the Atlanta and West Point Railroad Company. Through direct ownership of additional shares they exercise control over fifty per cent of the stock of the latter road.

The territory served by the Atlantic Coast Line may be conveniently divided into three main sections; that of Virginia, that of North Carolina, and that of South Carolina, Georgia, and Florida. In Virginia the lines run north and south connecting the fall line towns. The parent road, the Richmond and Petersburg, was chartered in 1836, and

¹ The other four roads are: the Southern; the Illinois Central; the Seaboard Air Line; the Louisville and Nashville.

² Report of the Atlantic Coast Line Railroad Company for year ending June 30, 1915, p. 5.

³ *Poor's Manual*, 1903, p. 203.

⁴ *Commercial and Financial Chronicle*, vol. xcix, p. 1135.

was operated till 1867 as a small local line running between Richmond and Petersburg, twenty-two miles.¹ The Petersburg Railroad Company was incorporated in Virginia in 1830² and in North Carolina in 1831.³ In 1898 the Richmond and Petersburg purchased the Petersburg Railroad and became by change of name the Atlantic Coast Line Railroad Company of Virginia.⁴

In North Carolina the only road of importance was the Wilmington and Weldon. This was an outgrowth of the Halifax and Weldon, chartered in 1834⁵ and consolidated in 1837 with the Wilmington and Raleigh, which also had been incorporated in 1834,⁶ and in 1855 became by change of name the Wilmington and Weldon.⁷ This line also runs north and south and connects the Roanoke and Cape Fear sections of the state. In 1900 the Wilmington and Weldon, with other roads, was consolidated with and into the Atlantic Coast Line of Virginia to form the Atlantic Coast Line Railroad Company.⁸

In the South Carolina-Georgia-Florida territory two systems developed; the Atlantic Coast Line of South Carolina, and the Savannah, Florida and Western, popularly known as the "Plant System." The general direction of these roads is east and west. The Atlantic Coast Line of South Carolina was incorporated March 5, 1897,⁹ as the result of a consolidation of five roads: the Wilmington, Columbia, and Augusta, chartered in 1846 as the Wilmington and Manchester;¹⁰ the Northeastern Railroad of South Carolina, chartered in 1851;¹¹ the Cheraw and Darlington,

¹ Acts of Virginia, 1835-36, ch. 121.

² *Ibid.*, 1829-30, ch. 62, p. 59.

³ Acts of North Carolina, 1830, ch. 56.

⁴ Acts of Virginia, 1897-98, ch. 635, p. 674.

⁵ Acts of North Carolina, 1833-34, ch. 75. ⁶ *Ibid.*, 1833-34, ch. 78.

⁷ Special Act of North Carolina, February 14, 1855.

⁸ *Commercial and Financial Chronicle*, vol. LXX, p. 791.

⁹ Acts of South Carolina, 1897, No. 394.

¹⁰ *Ibid.*, 1846, No. 2988; Acts of North Carolina, 1846-47, ch. 82.

¹¹ Acts of South Carolina, 1851, No. 4069.

chartered in 1849;¹ the Manchester and Augusta, chartered in 1870;² and the Florence Railroad, chartered in 1882.³

On April 21, 1900, the Atlantic Coast Line of Virginia absorbed the Atlantic Coast Line of South Carolina, the Wilmington and Weldon, the Southeastern of North Carolina, and the Norfolk and Carolina, and changed its name to the Atlantic Coast Line Railroad Company.⁴ Two years later, April, 1902, this company acquired by purchase the Savannah, Florida, and Western,⁵ which was a consolidation of a number of small roads, the most important of which were: the Atlantic and Gulf, chartered in 1856;⁶ the Charleston and Savannah, chartered in 1853;⁷ the Brunswick and Western, chartered in 1835 as the Brunswick and Florida;⁸ and the Alabama Midland, chartered in 1887 as the Alabama Terminal and Improvement Company.

In order to understand the growth of the Atlantic Coast Line System, it is necessary to consider the trade and transportation conditions which existed along the South Atlantic seaboard prior to and during the construction and operation of the independent roads which finally went into it. Roughly speaking, this period extends from the War of 1812 to the close of the Civil War. A background for the history of the Atlantic Coast Line Railroad is found in the trade and transportation conditions which grew out of the War of 1812, and in the physiography of the South Atlantic seaboard.

The War of 1812 interrupted coastwise trade, since vessels of the enemy lurked in the waters of the Atlantic

¹ Acts of South Carolina, 1849, No. 3079.

² *Ibid.*, 1870, No. 254.

³ *Ibid.*, 1881-82, No. 560.

⁴ *Commercial and Financial Chronicle*, vol. LXX, p. 791.

⁵ The Investors' Supplement to *Commercial and Financial Chronicle*, October 25, 1902, p. 11.

⁶ Acts of Georgia, 1855-56, p. 159.

⁷ Acts of South Carolina, 1852-53, No. 4142; Acts of Georgia, 1853-54, p. 406.

⁸ Acts of Georgia, 1835, p. 187.

ready to capture any commerce they might find.¹ This forced those who desired to travel between the coast towns or to carry on trade to resort to the Conestoga wagon. Such a four-horse wagon which could make in three days the ninety miles between New York and Philadelphia over the almost impassable roads was considered a "flying machine." Under such conditions trade was small and travelers few. Great excitement prevailed in Philadelphia even as late as July 4, 1825, because of the presence of three hundred New Yorkers, enough to fill thirty-five coaches, at the Independence celebration in the city.

The connecting of the towns and cities along the eastern coastal plain was discussed very early. Gallatin, in his report to the Senate on April 12, 1808,² recommended that a highway be constructed from Maine to Georgia, stating that south of the Potomac there were few artificial roads on account of the scattered population. He further urged in the same report that the inland bays and sounds along the Atlantic between Massachusetts and Georgia be connected by a system of canals in order to form one continuous inland waterway.

The physiographical factor of the South Atlantic seaboard which influenced the location of the route of the Atlantic Coast Line Railroad is the "fall line."³ Beginning at Trenton, New Jersey, this line runs southward through Philadelphia, Baltimore, Richmond, Fredericksburg, and Petersburg. The fall line and the tide line down to this point coincide. Leaving Petersburg the fall line extends southwestward and runs parallel to the mountains, passing through Raleigh, Columbia, Augusta, Macon, Columbus, and Montgomery, leaving a space of navigable water on the rivers between the falls and the ocean. In

¹ Kettell, in *Eighty Years of Progress*, p. 184.

² Report of Secretary of Treasury on Public Roads and Canals, made in pursuance of a resolution of the Senate of March 2, 1807.

³ For a description of the "fall line" see Bulletin of American Geographical Society, vol. XL, p. 136.

passing over this line all the important rivers flowing into the Atlantic have either rapids or falls obstructing navigation. As the country became more thickly settled, trading towns sprang up at these points. Their access to each other was down one river and up the next or overland by wagon roads. The Atlantic Coast Line System is a consolidation of the short railroads built to give these fall line towns connection. These roads, especially those in the northern part of the territory, ran parallel to the coast and perpendicular to the ridges between the rivers.

In addition there was an ever-increasing struggle to get connection with the West by means of the navigable rivers, sluices around the rapids at the fall line, and either canals or railroads through the mountains to the tributaries of the Ohio and other western rivers. George Washington had been interested in this, and before he was twenty-one had crossed the mountains and studied the possibility of connecting by means of a canal the Chesapeake Bay and the Ohio River.¹ In 1784 he presided over a commission at Annapolis on behalf of Maryland and Virginia to consider the improvement of the navigation of the Potomac. The first real connection with the West was by means of the Cumberland Road, begun in 1812.² This started at Cumberland, Maryland; passed through Uniontown, Pennsylvania; Wheeling, then Virginia; Zanesville and Columbus, Ohio; reaching the latter about the beginning of the railroad era.³ The greatest of the early undertakings was the Erie Canal, begun in 1817 and completed in 1825, joining Lake Erie and the Hudson River.⁴ Then followed a titanic struggle for the trade of the Mississippi Valley.

The connection with the West, the invention of the

¹ Kettell, in *Eighty Years of Progress*, p. 173.

² Hulbert, "The Cumberland Road," in *Historic Highways of America*, vol. x, p. 54.

³ *Ibid.*, pp. 77-78.

⁴ A. B. Hepburn, *Artificial Waterways and Commercial Development*, pp. 28-31.

cotton gin, and the invention of the steamboat had far-reaching effects upon the trade and transportation of the southern Atlantic coastal plain. The invention of the cotton gin in 1792 removed the greatest impediment in the way of cotton culture which soon spread westward from the Georgia and South Carolina coast, where it had been concentrated, to the western part of Georgia, to Alabama, and to Mississippi. Great plantations sprang up. Settlers swarmed in, drawing off the population of the older coast states of North and South Carolina. Georgia, Alabama, and Mississippi together in 1816 contained 75,000 people; four years later they contained 200,000.¹ As early as 1802 some cotton had been raised near New Orleans, Natchez, and Nashville. The exports from New Orleans in that year amounted to 29,000 bales. The introduction of cotton culture into the Southwest led to a division of labor between the planters of the South and the farmers of the West. This gave rise to an important trade upon the western rivers which was of the same character as that carried on in earlier times between the northern colonies and the southern coast and the West Indies.

The invention of the steamboat was largely responsible for the extension of this trade. In 1811 the first steamboat trip was made down the Ohio and Mississippi Rivers from Pittsburgh to New Orleans.² The following figures will give an idea of what this invention meant to the western country and to New Orleans as a market. The distance from New Orleans to St. Louis is 1300 miles. The time required to make the trip upstream in the old flatboat was 120 days. In 1815 the steamer *Enterprise* made it in 25 days. In 1823 the time had been reduced to 12, in 1826 to 9½, in 1860 to 3.³ Yet the steamer, instead of supplanting

¹ Callender, "Early Transportation and Banking Enterprises of the States in Relation to the Growth of Corporations," *Quarterly Journal of Economics* (November, 1902), vol. xvii, p. 16.

² Latrobe, *First Steamboat Voyage in Western Waters*.

³ Kettell, in *Eighty Years of Progress*, p. 183.

the flatboat, really encouraged its use because of the ease with which rivermen could now get back upstream. The old flat, which had either been broken up and sold as lumber on reaching New Orleans or else loaded and poled upstream, could now be loaded and towed back.

In 1815 there were 14 steamboats on western waters; by 1842 there were 1200.¹ This fleet gave New Orleans for a time a monopoly of practically all the products of the Mississippi Valley. In the end New York captured the greater part of the trade, but New Orleans, thanks to the growth of cotton culture in the Southwest, was in 1830 second only to New York in its export trade, which was double that of Boston and treble that of Philadelphia.² The amount had remained about stationary for half a century, but the character was greatly changed. In 1800 60 per cent of the exports of the city was western produce; in 1845, only 18 per cent. This decrease in western produce was offset by the tremendous growth of the export trade in cotton: 1,900,000 pounds were exported in 1795, as compared with 639,000,000 pounds in 1838.³ A violent fall in the price during this period, however, kept the money value about the same.

The opening of the Erie Canal did not increase materially the sum total of the exports of the country, but merely deflected them from their former course. New York profited by the deflection; the cities of the South Atlantic seaboard lost. The following figures show the decline in exports of South Carolina and Georgia, and indicate that Virginia was about at a standstill:⁴

	1819	1830
South Carolina	\$8,251,000	\$7,627,000
Georgia	\$6,310,000	\$5,337,000
Virginia	\$4,392,000	\$4,792,000

¹ De Bow, *Industrial Resources of the Southern and Western States*, vol. II, p. 460.

² Emory R. Johnson, *History of Domestic and Foreign Commerce of the United States*, vol. II, p. 39.

³ *Hunt's Merchant Magazine*, vol. I, p. 89. ⁴ See note 2, *supra*.

Charleston and Savannah were the greatest sufferers among the coast towns. They found the exports which had formerly been theirs leaving the country through New Orleans. These cities had secured some advantage from the spread of cotton culture as long as it was confined to the river valleys on the eastern side of the pine barrens and on the immediate western slopes. When great plantations sprang up farther west, however, New Orleans and Mobile reaped the benefits. There was no adequate communication with the western country. From Savannah to the nearest branch of the Tennessee River is three hundred miles, and the distance from the head of navigation of the Savannah River to the Tennessee River had not been spanned.¹ As a matter of fact, the first important communication between the coast and the Southwest came on the completion of the Western and Atlantic Railroad, when in 1851 trains ran from Chattanooga, Tennessee, through Atlanta to the coast.²

The eastern seacoast towns were also doomed to disappointment in the results of the application of steam to transatlantic vessels. The first steamship built in the United States was the Savannah, owned by Savannah capitalists who had it built in the North. It reached Savannah from New York in April, 1819, and left for Liverpool in May.³ The people along the coast believed this to be the solution of their difficulties. They had failed to secure the export of the surplus cotton from the Southwest, and felt that the remedy was to develop a great direct trade with Europe and to supply the southwestern farmer with his wares. But a steamship can defy trade winds and ocean currents. Previous to this time most of the trade from Europe, carried on in sailing vessels, had gone down the coast of Africa and had followed the trade winds and the

¹ Gallatin's Report, 1808.

² Phillips, *History of Transportation in the Eastern Cotton Belt to 1860*, p. 316.

³ Joseph Bancroft, *Savannah, Census and Statistics*, p. 55.

Gulf Stream. These had brought the ships to America and practically cast them ashore at Charleston, Savannah, or Norfolk which had accordingly become important shipping centers.¹ The introduction of the steamship enabled this trade to go directly to the more prosperous cities of the North.

This, then, was the situation: the wide stretch of territory lying between the mountains and the ocean, comprising the greater part of Virginia, North and South Carolina, Georgia, Florida, and Alabama, was well suited to agriculture, but was worked under a system which exhausted the soil without replenishing it. It was cut off from access to the West by natural barriers, and the export trade diverted to New York and New Orleans. The population was leaving the worn-out land and taking up new plantations in the Southwest. The two chief transportation problems were to effect a connection with the West by canals or railroads running perpendicular to the coast, and to develop a local system of inland communication by railroads running parallel to the coast, joining the fall line towns and cities. The Atlantic Coast Line Railroad had its beginning in such conditions and was developed as a solution of the second of these problems.

¹ De Bow, *Industrial Resources of the Southern and Western States*, vol. III, p. 3.

CHAPTER II

ECONOMIC BACKGROUND OF THE NORTH AND SOUTH RAILROADS OF VIRGINIA

CONDITIONS in Virginia at the beginning of the railroad era were similar to those of her neighboring states to the south. She had seen her land exhausted and her farmers moving away.¹ Although the first to attempt a connection with the West, by means of the James River and Kanawha Canal, and the last one to give up the idea of canal connection, she never completed the project. She saw the cities of other seaboard states secure the coveted connection; New York by means of the Erie Canal, Boston by the Western Railroad, Philadelphia by the Pennsylvania line of improvement and portage canal, and Baltimore by the Baltimore and Ohio Railroad.

Virginia was the first southern state to attempt railroad construction north and south, parallel to the coast. In spite of this fact there was nothing that approached a consolidated system of railroads until after the Civil War. Two of the chief reasons for this were: first, the lack of floating capital; second, the fact that coastwise transportation in a measure met the needs. Additional causes of the slow growth of trade and transportation in Virginia were jealousy of other states, the conviction that internal improvements undertaken by the federal government were unconstitutional, and the rivalry between the tide water and western sections of the state.

An illustration of the jealousy toward other states is shown by the fact that the Senate rejected a bill which had passed the House of Delegates to give the Baltimore and Ohio Railroad, a Maryland corporation, a more ex-

¹ Joseph Martin, *New and Comprehensive Gazetteer of Virginia*, p. 99.

tended range for the location of its route in the western part of the state. "The sum and substance of the whole seems to be that Virginia ought to retain for herself the sovereign right to prevent internal improvements whether she herself will or will not make them. And it appears as if agreed that it will be better for the state that its large and fertile western district should remain as it is, deprived of a market for many of its productions, than that Baltimore may become the place of their deposit, Baltimore being a foreign port, without the limits of the 'nation of Virginia.'"¹

A committee of the House of Delegates expressed the attitude of the state toward federal construction of internal improvements in a report which stated that the term "internal improvements" was in common and ordinary use and susceptible of the clearest definition. No reason could be assigned why this power was not granted to the general government if it had been so intended. The peculiar character of the power to make internal improvements was locality, and therefore peculiarly unsuited to the jurisdiction of the general government, and peculiarly suited to the jurisdiction of the state governments intended for local objects.²

Not only was Virginia as a state hostile to enterprises which originated in other states, but the eastern section was extremely jealous of any undertakings which threatened it with competition. There was a feeling on the part of some eastern citizens that the opening of the West would bring keen competition to the tide water farmers. An illustration of this feeling appears in the reply of an eastern Virginia farmer to a letter of a westerner in the Richmond papers in the summer of 1838, urging that the water be turned into the James River Canal so that the western farmers might market their wheat crop. He begged the

¹ *Constitutional Whig*, Richmond, February 16, 1827.

² *Niles' Register*, December 29, 1827.

westerner to keep quiet so that for once the tide water farmers might get a good price for their wheat, stating that even at the advanced price which this freedom from competition would give, the tide water people would not realize a tithe of the excess of taxation paid by them in developing facilities in which they had no interest.¹ In the early years this feeling was particularly strong in Norfolk, the principal port of the state. Appeals were made to her in vain by the fall line towns to join them in an attempt to develop trade with the western part of the state.²

In order to appreciate this provincial feeling it is only necessary to contrast the two divisions of the state. The tide water section is that part lying to the east of the fall line. It forms an irregular quadrilateral 114 miles in length north and south and 90 miles in width east and west, containing 11,350 square miles of which some 2500 square miles are water.³ This division contained, until well into the nineteenth century, the wealthiest and most influential portion of the population.⁴ Ocean vessels going up the Chesapeake Bay, the Potomac, Rappahannock, York, and James Rivers could land at the wharves of the individual planters, thus obviating the necessity of market towns of any considerable size. That part of the state lying between the fall line and the Blue Ridge consists of what has been called the Atlantic Coast Range and the Piedmont. Sparsely settled, it did not until much later acquire sufficient influence to demand consideration in the legislature.

The only city of importance in the tide water counties

¹ *Richmond Enquirer*, July 13 and 24, 1838.

² W. S. Forrest, *Historical and Descriptive Sketches of Norfolk*, p. 222. Quotation from *Petersburg Intelligencer* on occasion of Norfolk's becoming a city, 1845.

³ Virginia, *A Geographical and Political Summary*, published by Board of Immigration, 1876.

⁴ *History of Transportation in the United States before 1860*, prepared under the direction of B. H. Meyer by Caroline E. MacGill and staff of collaborators, published by Carnegie Institution of Washington, 1917, p. 265.

of Virginia was Norfolk. Therefore the history of trade and transportation conditions in tide water Virginia is practically the history of trade and transportation conditions in Norfolk. The excellence of its harbor, Hampton Roads, its central location on the Atlantic coast, and its extensive back country gave it this commanding position. It was the most convenient point where the produce of the interior might be collected and whence it might be distributed north and south among the markets of the seaboard.¹ The back country upon which it could draw was that drained by the Chesapeake Bay, including that part of Pennsylvania which lies in the valley of the Susquehanna, all of Maryland east of the mountains, the valleys of the Potomac, Rappahannock, York, and James Rivers, and the Roanoke section of North Carolina.² Because of this advantageous location, Norfolk was an important commercial town before the Revolution and by 1804 had a growing trade and a population of about 9000.³

In her efforts to win for herself a leading place among the trading cities of the coast, Norfolk had the following possibilities: to retain her direct foreign trade or to establish trade relations with South America; to develop the North Carolina trade through the Dismal Swamp Canal and the Roanoke River; to secure western trade, either by supplanting Richmond as the port of deposit or by uniting with the fall line towns to secure it through canals or railroads.

Norfolk, small and weak as she was, longed to share the foreign trade with New York and the other coast cities, and in 1852 made a feeble effort to capture some of it. This attempt was made in connection with a Belgian effort to establish a direct line of steamers with some port in the United States. The legislature of Virginia was petitioned

¹ Lieutenant Maury, Executive Documents, 44th Congress, 1870-71, p. 65.

² Lieutenant Maury, in De Bow, *Industrial Resources of the Southern and Western States*, vol. III, p. 2.

³ W. S. Forrest, *Historical and Descriptive Sketches of Norfolk*, p. 306.

to grant a charter to the Atlantic Steam Navigation Company, the purpose of which was to run a line of first-class steamships between the ports of Norfolk, Virginia, and Antwerp in Belgium.¹ In spite of popular agitation the House of Delegates in 1853 refused to grant the charter. Thereupon a line was established to New York instead of to Norfolk, but it could not compete with those already plying between New York and Liverpool. Having failed to secure direct foreign trade, the Virginians raised the cry, "Let the South look to the South. Behold the valley of the Amazon and the great river basins of South America."² But attempts to establish such commerce went no farther than the cry.

The most successful attempt made by Norfolk to develop her commerce was that by which she secured the North Carolina trade through the Dismal Swamp Canal. Beginning at Norfolk this canal runs south to the Albemarle Sound. It was chartered in Virginia in 1787 and in North Carolina in 1790.³ Its original purpose was to furnish a means of getting lumber out of the Dismal Swamp by obviating the necessity of hauling it over the corduroy roads. Later the canal was extended and formed the chief means of communication between Norfolk and the Roanoke country of North Carolina. Virginia was a subscriber to seventy shares (\$250 each) of the stock of the company. Much of the other capital was secured by means of lotteries.⁴ It was finally completed in 1823, and on April 28 of that year the schooner Rebecca Edwards with a cargo of cotton, flour, tobacco, and hogs passed through and arrived at Norfolk.⁵ For many years this canal was of

¹ W. S. Forrest, *Historical and Descriptive Sketches of Norfolk*, p. 319.

² Lieutenant Maury, in De Bow, *Industrial Resources of Southern and Western States*, vol. III, p. 5.

³ *American State Papers*, vol. XX, *Miscellaneous Documents*, vol. I, p. 763.

⁴ *Constitutional Whig*, Richmond, February 2, 1827.

⁵ W. S. Forrest, *Historical and Descriptive Sketches of Norfolk*, p. 97.

inspected there from 15,000 to 18,000 hogsheads of tobacco weighing 1500 pounds. This was the largest inspection of any city in the United States. Besides this it exported some 25,000 to 30,000 barrels of flour yearly. This produce was conveyed in batteaus to Richmond. It was estimated that there were 500 of these boats in use giving employment to 1500 people. Richmond and not Norfolk had secured the trade with Lynchburg. Ocean steamers could ascend the James as far as Richmond, secure their freight, and put to sea without stopping at Norfolk. In addition to the trade which came down the James River and Kanawha Canal, an important source was the coal fields then operated in Chesterfield County. The first railroad in Virginia was built from Manchester on the opposite side of the James from Richmond to these mines. The road was constructed largely by the owner of one of them and brought down 2,000,000 tons of coal yearly.

The chief claim of Richmond to distinction outside of being a trading center was the fact that the river at this point furnishes ample water power for manufacturing establishments. From the commencement of the rapids a few miles above, the fall is upward of one hundred feet to the level of tide water. Situated along the river there were a number of flouring mills, grist mills, a cut-nail manufactory, a rolling and slitting mill, an iron foundry, and a cotton mill. Yet there was continual chafing under the dependence upon northern cities for home supplies. A resident of the city writes in the *Richmond Times*:¹

Consider these things — “Just received another lot of those celebrated Troy Cooking Stoves.” A heading like the above is not strange to your columns. Does anybody know how many thousand dollars are yearly sent north from Virginia for that one article? Have we not as good water power, as good iron and coal as they have at the North, or as skillful mechanics? “Just received, one hundred bales of northern hay.” Is it a fact that Vir-

¹ Quoted by Forrest, in *Historical and Descriptive Sketches of Norfolk*, pp. 410-11.

ginia cannot raise hay to feed her own stock? I have seen even this dry season at least three tons per acre on land that a few years since was worth no more than — in fact, as poor a piece of land as could be found in the state. What crop pays better at from fifteen to twenty dollars per ton?

Petersburg was not materially different from Richmond and Fredericksburg. It had grown up at the falls of the Appomattox, but instead of securing its trade from the west as Richmond had done, it had secured it largely from North Carolina. With this state it had a considerable wagon trade before the building of the Petersburg Railroad. It was the chief tobacco market of that section. Travelers met continually on the road hundreds of single hogsheads of tobacco drawn by two horses tandem, coming eighty or one hundred miles from the interior.¹ The method used was to run a beam through the hogshead lengthwise in the center of the heads and attach a pair of shafts to the protruding ends of the beam, hitching the horses in these shafts.

The dirt roads leading from the North through these cities and on into North Carolina were very poor. After leaving Alexandria, Virginia, the road ran for miles through woods of pine mingled with oak and cedar. It was sometimes so narrow that a vehicle struck against the trees. Again it was so full of stumps as to be almost impassable. Now and then scattered along the way was a little village composed of a few frame houses with one rather more extensive and substantial used as a tavern. The only public conveyance to be had was the "fast" United States mail. In summer ten days were required to go from Baltimore to Richmond and thirty-three from Baltimore to Augusta, Georgia. The sixty-nine miles from Richmond to Fredericksburg was covered in two days in May, 1817, in high hacks.²

¹ Hodgson, *Letters from North America*, vol. 1, Letter 3, pp. 32-33.

² *Transportation in the United States before 1860*, p. 60. Prepared under the direction of B. H. Meyer by Caroline E. MacGill and staff

South of Petersburg conditions were if anything worse. The roads were almost impassable for a good portion of the year and the population was even more scattered than was the case farther to the north.

With a growing demand for overland communication along the fall line and the introduction of the railroad elsewhere as a successful competitor to navigation, it was to be expected that the towns along the line should give their attention to the building of railroads. This interest resulted in the building of a number of roads which in time were connected physically and consolidated into the Atlantic Coast Line System. At the time of their building, however, there was no plan of a system. Like all the roads of the time they were built to connect local points, namely, the fall line towns.¹ There was little concerted action. The roads were constructed to benefit the towns which they connected and with little idea of forming a transportation system for the general benefit. To the extent to which the state aided these enterprises there was a broader view.

of collaborators, published by the Carnegie Institution of Washington, 1917.

¹ Ringwalt, *Development of Transportation Systems in the United States*, p. 71.

CHAPTER III

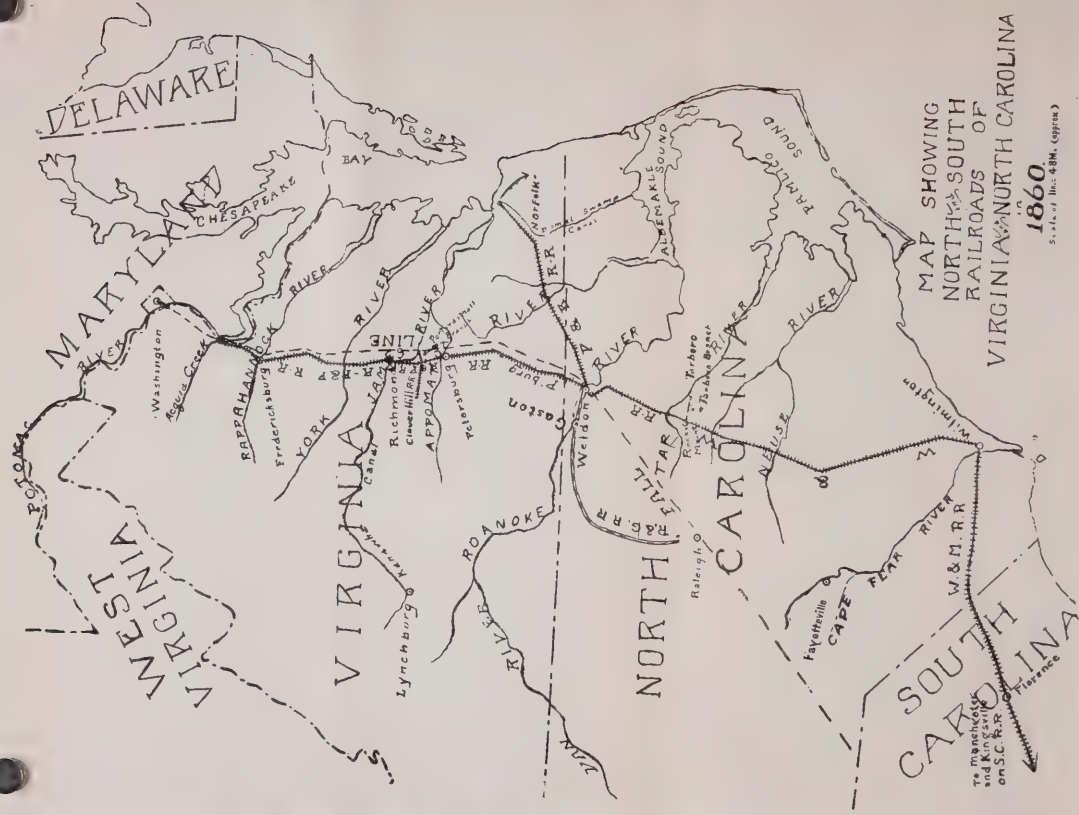
THE PETERSBURG AND THE RICHMOND AND PETERSBURG RAILROADS BEFORE 1860

THE PETERSBURG RAILROAD

THE oldest of the roads which went into the Atlantic Coast Line System was the Petersburg. It was preëminently an enterprise of the citizens of Petersburg, Virginia. Their purpose was to tap the Roanoke country of North Carolina and increase the trade which had long existed with that section. The building of the road was a stroke at the Dismal Swamp Canal and at Norfolk, for it would divert much trade to Petersburg which would have otherwise gone to Norfolk. There had for a long time existed an intense rivalry between the two towns.

Although the idea of using railroads as a means of transportation was new, the citizens entered enthusiastically into the organization of a company and obtained a charter from the state of Virginia on February 10, 1830, which was later granted also by the state of North Carolina.¹ This charter served as a model for most of the other early roads of Virginia. It provided that: the capital stock was to be \$400,000; the road was to extend from Petersburg to some convenient point on the North Carolina line; permission was given to erect toll-gates on the line and scales at its various depots; when ten miles should be completed, the company was allowed to begin operation, charging 12½ cents per ton mile for freight; when the entire road was finished, the rate was to be \$8 a ton for the whole distance. The net profit allowable was to amount to a sum equal to the capital stock expended, with 6 per cent interest on it

¹ Acts of General Assembly of Virginia, 1829-30, ch. 62, p. 59; Acts of North Carolina, 1830, ch. 56.



MAP SHOWING
NORTH & SOUTH
RAILROADS OF
VIRGINIA & NORTH CAROLINA

1860

Scale of 100 Miles (approx.)

from the time the money was advanced by the stockholders until received back in net profit. After this sum should be collected, the rates were to be fixed and regulated by the Board of Public Works of the state so that the road could earn 6 per cent on the capital stock above running expenses.¹ All machines, wagons, vehicles, and carriages purchased by the company, all works constructed, and all profits were to be vested in the company forever, deemed personal estate and free from all public charges or taxes whatsoever. The charter was amended three years later so as to allow the building of a branch road from the intersection with the Portsmouth and Roanoke to Weldon.²

By the middle of the summer of the year in which the charter was granted, over \$325,000 of the necessary \$400,000 had been subscribed.³ The country through which the road was to run was sparsely settled, averaging about one farmhouse to the mile except in a small village or two on the line.⁴ The land owners with few exceptions gave the right of way from Petersburg to the Roanoke River.⁵ Little time was lost and by the fall of 1830 engineers were engaged in locating the road from the Rowanty River to the Nottoway.

The interest of the state in all her internal improvements had been vested in 1816 in the Board of Public Works. This board was endowed with all the stock then held by the state in the various turnpike and canal companies, in the Bank of Virginia, and in the Farmers' Bank of Virginia. The rule was established that when internal im-

¹ Acts of General Assembly of Virginia, 1830, ch. 18; Acts of North Carolina, 1830, ch. 10.

² Acts of General Assembly of Virginia, 1833, ch. 80.

³ *Niles' Register*, July 24, 1830.

⁴ An old map dated 1832 and drawn for Moncure Robinson, chief engineer, gives the route of the road, the elevation, the curvature, and the location and name of the owners of the farmhouses on the line. The map is in the attic in the dome of the Virginia State Capitol at Richmond.

⁵ *Petersburg Times*, quoted in *Norfolk Herald*, November 12, 1830.

provements were undertaken, the Board of Public Works would subscribe two fifths of the capital in the name of the state when private individuals had subscribed three fifths.¹ The Petersburg Railroad therefore petitioned the board for a subscription on behalf of the state of two fifths of the capital stock of the company.² The Board of Public Works, in its report to the General Assembly of Virginia on January 24, 1831, recommended that the subscription be made. The cause of this favorable recommendation was the belief that the investment would produce a profitable income, open up a choice of markets between Petersburg and Norfolk to the upper Roanoke country, furnish additional facilities for transportation to market of products along the line of proposed road, and add greatly to the commercial prosperity of the town of Petersburg.

There was a disadvantage to the state which arose whenever the question of investment in a new enterprise presented itself. The state was already an investor in the Dismal Swamp Canal to the amount of \$64,000. To encourage the building of the Petersburg Railroad, a competitor of the canal, would evidently decrease its traffic and consequently its earning power, to the detriment of the state. Besides injuring itself financially, the state through its Board of Public Works must go on record, if the subscription were made to the railroad, as favoring Petersburg at the expense of Norfolk. This was the first instance of what was afterward to become a perplexing question to the state. It paved the way to political strife and increased the jealousy which already existed between the coast and fall line towns. These considerations had weight with the board, but in spite of them they recommended to the legislature favorable action.

Acting on this recommendation the General Assembly

¹ Joseph Martin, *A New and Comprehensive Gazetteer of Virginia*, p. 88, Message of Governor Tazewell.

² Fifteenth Annual Report of Board of Public Works to the General Assembly of Virginia, January 24, 1831, Document No. 24, p. 7.

passed an act on March 22, 1831, authorizing the Board of Public Works to subscribe two fifths of the capital stock, payable when three fifths had been paid in by the public. On account of this subscription the state was entitled to appoint two of the five directors of the company. This act was amended on February 27, 1832, so that the state might pay its subscription when one half of the amount subscribed by the public was paid. The state also agreed to borrow \$80,000, giving its stock in the railroad company as collateral, in order to pay its part.¹ The entire subscription was as follows: by individuals, \$196,400; by Board of Public Works on behalf of the state, \$160,000; by the corporation of Petersburg, \$43,600; total, \$400,000.

By means of the money thus collected, with the aid of the farmers who graded much of the roadbed with their slaves, and with cross-ties and sills cut from the pine forests along the line, the road was partially in operation in the latter part of 1832. The light sandy soil and the level country through which the road runs facilitated its construction. The route followed was a very direct one, the distance from Petersburg to a point one and a half miles below the falls of the Roanoke being fifty-nine miles, only three miles more than the direct distance. The curves were arcs of circles varying in diameter from two to nine miles. The maximum grade did not exceed thirty feet to the mile. The track was of wood and iron, yellow pine rails five inches by nine inches were plated with strips of iron one half by two inches and secured with white oak sills twelve inches in diameter. About one half of the road was opened for transportation in October, 1832, when according to the terms of the charter daily trains were put on for the transportation of freight and passengers. The cost of the actual construction exceeded the original estimate very little. From the beginning of the undertaking up to November, 1833, the entire expenditure for all purposes was \$575,334.

¹ Report of Board of Public Works of Virginia, 1830, p. 460.

Additional expense was incurred in building depots at both ends of the road and the incline plane at the Roanoke, and in buying engines, coaches, and cars.¹

By 1835 the road was fairly well equipped, having seven locomotives and one hundred cars of various kinds in operation. Besides, the Raleigh and Gaston and the Greenville and Roanoke were being built to the south. These roads when completed would turn over to the Petersburg a considerable amount of freight and passengers from the interior of North Carolina. The Richmond and Petersburg was under contract to the north and would close the gap between the Petersburg and the Richmond, Fredericksburg, and Potomac.²

The traffic of the road steadily increased, but great difficulty was experienced in getting freight over the falls from Blakely to Weldon. In the report of the road for the year 1834 the president complains that a year before the Roanoke Navigation Company had reported to the Board of Public Works that in a few days the locks would be completed so that boats could pass up and down the river, but that the promise had not been kept.³ In spite of these difficulties and those incident to the newness of the road, it was earning expenses, though it was not paying any dividends. Besides its regular passenger and freight traffic the company had a contract with the Post Office Department to carry the mail over its lines. This was a distinction enjoyed at this time by only one other railroad in the country, the Camden and Amboy.

Its connection was so close with the Raleigh and Gaston Railroad and with the Greenville and Roanoke, a eighteen mile line joining the two, that contracts were entered into with both companies. The Petersburg was to

¹ Report of President McKenzie, November 22, 1833, in Proceedings of Board of Public Works of Virginia, 1833, p. 182.

² Report of Petersburg Railroad Company, December 1, 1835.

³ Report of Board of Public Works of Virginia, 1836, Document 17, p. 451.

conduct the business of the Raleigh and Gaston, furnishing the rolling stock, train, and depot agents, in return for one half of the gross receipts from produce and mails, and one third of the receipts from passengers. The Raleigh and Gaston was to keep the road and depots in repair and furnish the labor and superintendence for the purpose.¹ A yearly rental of \$11,000 was paid the Greenville and Roanoke for trackage rights. This contract continued until the latter road was finally absorbed by the Petersburg.²

In addition to the increased income from operation in connection with these roads, the Petersburg received on its mail contract with the Post Office Department \$300 per mile. When the government entered into this contract, the Richmond, Fredericksburg, and Potomac was receiving only \$150 per mile for a similar service. The government did not feel justified in paying more because of existing contracts which it had with the stage and steamboat owners between Washington and Richmond. The Richmond, Fredericksburg, and Potomac was justly dissatisfied and the Petersburg paid it \$50 per mile out of its own funds in order to retain the mail on the line of railroad.³

The reports of the company for a few years prior to the panic of 1837 show gradual improvement in its earnings. Once on its feet, the company allayed the dissatisfaction which had arisen among the stockholders because of its failure to pay dividends, by the payment in 1836 of a 10 per cent dividend. The demoralization of business which followed the panic extended to the railroad. From November, 1836, to June, 1838, no dividends were paid, and, although regular payments were made to the stockholders

¹ Report of C. F. Osborne, President of Petersburg Railroad Company to Board of Public Works of Virginia, December 22, 1838.

² The Petersburg road exchanged four shares of its own stock for seven of the Greenville and Roanoke. Acts of Virginia, 1852-53, ch. 172.

³ Report of President Osborne to Board of Public Works of Virginia, March 6, 1837.

after the latter date, the rate was never so high again until the Civil War. The fact that dividends were lower was no indication of a falling off in business. The opposite was the case, and the fact that business had increased necessitated additional expense in handling it. The heavy freight which the road was compelled to carry brought about a deterioration of the roadbed and superstructure. The wood and strap iron track was very expensive to keep in repair. In addition much of the earnings went into new equipment so that the value of the property was constantly increasing and the earnings of the stockholders were in their railroad rather than in their pockets. The amount invested in equipment was much greater than would have been necessary under ordinary conditions.

Passenger traffic was growing rapidly,¹ the trade on the Roanoke was becoming annually larger, as was the amount of freight and number of passengers turned over to the road by the Raleigh and Gaston as it was extended into the Southwest. Besides this the Wilmington and Raleigh, together with the steamboat line which it operated to Charleston, opened up the whole eastern section of North Carolina.² This volume of traffic taxed the capacity of the road to its utmost. The difficulties under which the road was laboring were greatly increased by the fact that at certain seasons of the year the wagon roads were impassable and the rivers not navigable. During these seasons of suspension of inland traffic commodities accumulated in the hands of the farmers or small buyers. When the roads and rivers became passable this accumulation poured out upon the railroad until it was overwhelmed. Grades which a few years before had been commented on by the chief engineer as low, thirty feet to the mile being the maximum, now became obstacles difficult to overcome. It was estimated at

¹ Report of Petersburg Railroad Company, October 31, 1839.

² Report of Board of Directors of Petersburg Railroad Company to the stockholders, March 4, 1839.

the time that the cost of transportation on level road was about four and a half cents per ton mile. On some parts of the Petersburg the cost was double this amount. So it came about that the enlarged traffic of the road, usually sought diligently, became a real problem. For instance the passenger travel from February, 1838, to February, 1839, increased fourfold. During the year there were carried 15,199 bales of cotton, 6871 hogsheads of tobacco, 28,767 bushels of grain, 10,239 kegs of tobacco, and 5945 barrels of flour.

It was evident that the road had reached a new era. The first ten years of its existence had been a preliminary period when the road was almost purely local. Conditions by 1840 had changed. The changes had come about from two sources. First of all the Petersburg had become a part of a north and south system. Although no physical connection existed with the Richmond and Petersburg or with the Wilmington and Raleigh, to all intents and purposes the three roads, together with the Richmond, Fredericksburg, and Potomac, formed a great north and south route for through travel between New York, Philadelphia, Baltimore, and Charleston. By means of this route travelers could reach Charleston from New York in sixty-six hours or from Baltimore in forty-two hours, quicker time than could be made by boat.¹ This saving of time on the through route diverted some freight and much passenger traffic from the coastwise route.

Another phenomenon of this new era was railroad competition. From the beginning the road had been in competition with the Dismal Swamp Canal. The people of Norfolk chafed under the loss of business to Petersburg, and determined to construct a road from Portsmouth opposite Norfolk to Weldon to participate in the growing business which was developing at this point. When the Portsmouth

¹ Report of Board of Directors of Petersburg Railroad Company to the stockholders, March 4, 1839.

and Roanoke Company applied to the legislature for a charter, a long controversy followed. The people of Petersburg and the Petersburg Railroad as well as the other lines in the north and south route opposed the granting of the charter. In spite of the opposition the charter was granted. The news reached Norfolk on a Sunday. Bonfires were built, kegs of powder exploded, and rockets shot over the river. The road was built but was not successful till many years later. The explanation was that there was not sufficient business at Weldon to support two lines of road. The Petersburg had the advantage in that it was constructed earlier and was well under way when the Portsmouth and Roanoke was built. The Portsmouth and Roanoke entered Weldon by means of a bridge over the Roanoke. The Petersburg had never gone into Weldon, but had stopped at Blakely. When no agreement could be reached whereby the Petersburg could use the bridge and track of the Portsmouth and Roanoke, it became necessary to prolong the road from Blakely into Weldon by a branch two and three quarters miles long and a bridge across the Roanoke below Weldon. This was one of the first results of competition between the two roads.¹

Another difficulty already referred to was the inadequacy of the track to stand the strain of the heavy traffic. The president in his report to the stockholders March 1, 1841, estimated that the cost of repairs of the Boston and Providence, a line laid with heavy iron, for the four and a half years previous, had averaged \$246 per mile, while the cost had been \$663 on the Petersburg. These expenses drew heavily on the earnings of the road. The fact that twenty-five miles of track per year on an average had to be relaid gives some idea of the inadequacy of the track. It was evident that it must soon be relaid with heavy iron. This would reduce the profits still further.

¹ Report of President Bird to Board of Public Works of Virginia, November 10, 1842, p. 448.

Then, too, the perennial controversy with the Post Office Department arose with the Petersburg. The road had to surrender to the department the control of hours and to agree to make the trip in the shortest possible time. The government agreed that it would turn over the mails to the road without unreasonable delay at any point. Owing to the conditions of travel it was difficult to keep this promise. The Petersburg Railroad was the middle section of the southern route and received the mails from Baltimore and from Charleston over the Wilmington and Raleigh. The mails were delayed sometimes thirteen or fourteen hours at Baltimore and eighteen or twenty hours at Charleston. The Petersburg Company claimed that the restrictions were not laid alike on all roads, and that they weighed particularly hard on its road, since it was compelled to start its trains at unseasonable hours and run at night at greatly increased expense and risk, that it had lost double the amount of remuneration received for carrying the mail, in travel diverted from its line.¹

The road was not prospering, yet this was doubtless due to general mismanagement rather than to any specific cause. No dividends were paid from December 1, 1841, to July 1, 1844. Dissatisfaction was increasing among the stockholders. In March, 1841, they passed a resolution that in view of the financial condition of the country it was unwise to borrow money to lay an iron track. In spite of this, in the spring of 1842 President Bird and the board of directors began to lay new T-rails. At a meeting called in July, 1842, sanction for the improvement was secured, and it was voted to borrow \$100,000. In a month or so, however, the scheme was given up and three fourths inch flat iron was bought to relay the track in time to escape the duty laid on railroad iron.

The indebtedness of the company amounted to \$371,949, of which \$120,000 had to be paid within a few months,

¹ Proceedings of Board of Public Works of Virginia, 1842, p. 448.

and there were no funds available for meeting the obligation. Receipts had fallen off \$38,841 from the previous year. In addition to the involved financial condition of the company, competition compelled a 30 per cent reduction in freight rates. The gross receipts did not diminish materially, but they were received from carrying a correspondingly greater amount of freight, which caused a deterioration of the roadbed and rolling stock. It was evident that something must be done. The usual method of escape was resorted to. An appeal was made to the state and as a result \$150,000 in bonds of the state's holdings were converted into stock. This left the bonded debt of the company \$136,480.¹ With this relief the road was able to resume the payment of its semi-annual dividends and thus enter into the period of prosperity which preceded the Civil War.

Then, too, the Portsmouth and Roanoke had failed and for a time the Petersburg was again without competition in handling the Roanoke trade.² A change was taking place in the nature of the commodities which the road was handling. The two main items of its freight from the beginning had been tobacco and cotton. The tobacco crop of 1848 was short and cotton cultivation was decreasing along the line every year.³ A further reduction in passenger fare was necessary to meet the competition from Charleston to the northern cities by water.

President Bird had aroused opposition among the stockholders a few years earlier because of his action in violating the instructions given at the general meeting of the stockholders concerning the relaying of the track. He was now accused by the officials of the Richmond and Petersburg

¹ Twenty-ninth Annual Report of the Board of Public Works of Virginia to the Legislature, December 2, 1844. Report of Petersburg Railroad Company.

² Report of the Petersburg Railroad Company to Board of Public Works of Virginia, 1847, p. 69.

³ Report of Board of Public Works of Virginia, 1848, p. 370.

and of the Richmond, Fredericksburg, and Potomac of trying to divert travel and mail from the Petersburg to the James River and Bay Line to the detriment of the lines to the north. The whole matter was investigated in accordance with a resolution of the House of Delegates on December 18, 1848, to have transmitted to them by the Board of Public Works the charges brought by Wirt Robinson, president of the Richmond and Petersburg, and by Edward Robinson, president of the Richmond, Fredericksburg, and Potomac. The charges were that there was a systematic attempt on the part of Bird to divert travel and the mail to the James River and Bay Line. He was accused of delaying the trains of the Petersburg until after the departure of the Richmond and Petersburg for Richmond, thus forcing travelers against their will to go north by water. Letters were produced in substantiation, to the effect that Bird seemed to be in collusion with hotel-keepers and the river and bay boat line.¹ Bird denied the charges, and in defense produced letters from the Postmaster General showing that he had made every effort to have the Richmond, Fredericksburg, and Potomac keep the mails, as it would insure the use of his own road; that he had volunteered to pay the difference between what the Richmond, Fredericksburg, and Potomac wanted and what the Post Office Department offered, provided the government would grant a 25 per cent increase for night transportation. He claimed that when his efforts were unsuccessful he rearranged his schedule so as to connect with the river and bay line rather than lose the mail service to the Portsmouth and Roanoke line. The whole matter soon blew over. Bird was acquitted of the charges and voted innocent by his board of directors. The Richmond and Petersburg and the Richmond, Fredericksburg, and Potomac bought out the boat line and again secured the mail contract upon as favorable terms as formerly.

¹ Report of Board of Public Works of Virginia, 1848, pp. 559-66.

The ten-year period just previous to the Civil War was one of marked prosperity. The receipts from all sources ranged from \$211,000 to \$250,000. Expenses were well below these figures in spite of the fact that the entire road was relaid in 1850 with new U-rails of fifty pounds to the yard. These were bought at a very advantageous figure and a saving of about \$75,000 was effected.¹ Some of these were replaced from 1855 to 1859 by fifty-pound T-rails, including the Gaston Branch, formerly the Greenville and Roanoke.² It was well for the road that it was in this strong position, for it was again to enter into competition with the Portsmouth and Roanoke which began to run its trains for a second time on November 25, 1851. Moreover, the confidence placed in the company by the public was to suffer a shock because of the defalcation of President Bird to the amount of \$31,298.³ He had for the greater part of his term been engaged in a controversy of some kind and by no means enjoyed the entire confidence of those who had had dealings with the road. He admitted collecting from agents from time to time money which he did not turn over to the company.⁴ He resigned as president of the road and later replaced most of the funds which he had misappropriated.

The only other events of interest during the period were: the acquisition of the Greenville and Roanoke which connected the Petersburg and the Raleigh and Gaston; the loss by fire of the bridge across the Roanoke at Weldon; and the transfer of the state's interest (\$323,500) to the town of Petersburg to be applied to the construction of the Southside Railroad.⁵ The Petersburg, like all the Virginia lines north of it and the Wilmington and Weldon

¹ Letters of H. D. Bird to James Brown, Jr., November 10, 1852.

² Report of the Petersburg Railroad Company, 1859.

³ Report of committee appointed by Common Council of Petersburg on defalcation of H. D. Bird, March, 1855.

⁴ Report of Petersburg Railroad Company, March 3, 1855.

⁵ Acts of Virginia, March 13, 1849, ch. 152.

to the south, was in a prosperous condition at the beginning of the Civil War. In 1860 it paid a 10 per cent dividend.¹

THE RICHMOND AND PETERSBURG RAILROAD

The next Virginia road in point of time and the parent road of the Atlantic Coast Line was the Richmond and Petersburg, chartered on March 14, 1836.² The capital of the company consisted of \$300,000, to be subscribed by private individuals, and "any amount which the Board of Public Works may be authorized to subscribe on behalf of the state at the present session of the Legislature."³ The stock of the company was regarded as personal property and was exempt from taxation.⁴ The charter further provided that books were to be opened both at Richmond and at Petersburg, and that when \$15,000 should be subscribed by the public the company was to be considered as incorporated.⁵ A five-dollar cash deposit was required of each subscriber at the time of subscription and the remainder was to be paid at the call of the president and board of directors. In case the subscriber was unable or refused to pay his subscription, his shares were to be sold at public auction to the highest bidder and the sum due was to be taken out of the proceeds. The remainder after the expenses of sale were deducted was to be returned to the subscriber. In case, however, the share or shares did not bring enough to satisfy the claim and to defray the expenses of sale, the deficit was made recoverable in the court of the county in which the original owner lived.⁶

In case the \$300,000 should prove to be an insufficient amount of capital for building and equipping the road, the president and board of directors were authorized to issue

¹ See Appendix, Table I.

² Charter of Richmond and Petersburg Railroad Company, p. 11. Published by T. W. White, Richmond, Virginia, 1836.

³ Charter, p. 12. Session referred to, 1835-36.

⁴ *Ibid.*, p. 23.

⁵ *Ibid.*, p. 13.

⁶ *Ibid.*, p. 15.

\$500,000 additional stock, making a total of \$800,000 capital. The holders of the original stock had the privilege of subscribing to this additional issue in proportion to the amount already held. The company was also given power to borrow money on certificates of indebtedness, convertible into the stock at the option of the holder, provided that the amount of stock should not exceed \$800,000 unless such loan should be agreed to at a general meeting of the stockholders.¹

The right of eminent domain was conferred on the company except in the city of Richmond and in the town of Petersburg where tracks could not be laid in the streets without the consent of the common council. The road was to provide an eighty foot right of way except in deep cuts and fills. Not more than an acre and a half could be condemned for site of a depot or other building.² When land had been condemned for a depot or other purposes, if the president of the road, the board of directors, and the owner could not agree on the amount of damage, they were to apply to the court of the county in which the land lay, asking that a committee of "five discreet, intelligent, disinterested and impartial freeholders" be appointed to assess the damage. The court was to instruct the committee as to how the damage should be assessed, and forms according to which their report was to be made were prescribed.³

In addition to the right of eminent domain, the company could enter upon land, cut timber, quarry stone, and take away earth or gravel to be used in construction, the exception being made that no fruit tree or tree preserved in a field or lot for shade or ornament could be cut, and no stone or gravel forming part of a fence or building could be carried away.⁴ In case of disagreement between the president of the road and the owner of the soil, gravel, or timber, provision was made for the appointment of a

¹ Charter, p. 16. ² *Ibid.*, p. 17. ³ *Ibid.*, p. 18. ⁴ *Ibid.*, p. 21.

committee to assess the damages.¹ Power was also given to the company to cross public roads provided the public highway was not changed materially in direction and provided further that any new road constructed should be in equally as good condition as the one altered.²

Another provision of this somewhat peculiar document related to the building and operating of bridges. The road was allowed to construct its bridges in such a manner that in addition to the regular purpose they might be used for travel by horseback, carriage, sheep, cattle, and hogs. It was permitted to charge tolls for such use and rates were prescribed. This provision applied to all the streams crossed by the road with the exception of the James River at Richmond. The bridge at this point could be used as a railroad bridge only unless the permission of the owners of Mayo's Bridge was secured.³

The method of counting votes in the meetings of the stockholders was as follows: each member had one vote for each share owned not exceeding two; one for each two owned not exceeding ten; and one vote for every five shares above ten, provided no shareholder should have more than sixty votes.⁴

Looked at from the standpoint of the modern railroad student, one of the striking provisions of the charter was that regarding rates. For passengers a charge of eight cents per mile could be made except in case the passenger was carried ten miles or less, when a charge of fifty cents extra could be made to pay for stopping and starting the train. The rate for freight could not exceed ten cents per hundred pounds per mile of haul.⁵ Fifteen per cent dividends were the maximum which the road could declare, and it was provided that when net earnings should be such as to allow more than such dividend, the freight and passenger charges should be reduced to a point where a dividend of only 15 per cent could be made.⁶

¹ Charter, p. 22.

² *Ibid.*, p. 23.

³ *Ibid.*, p. 25.

⁴ *Ibid.*, p. 26.

⁵ *Ibid.*, p. 24.

⁶ *Ibid.*, p. 27.

At the same session of the legislature at which the Richmond and Petersburg Railroad Company applied for its charter, the Manchester and Petersburg Turnpike Company also made application for an increase of its stock to \$400,000 for the purpose of building a railroad from Richmond to Petersburg along its roadbed, under such restrictions as might seem just and reasonable to the General Assembly.¹ The turnpike company asked that if permission to build the road were refused it and were granted to some other company, it should be allowed an indemnity, whereupon it would turn its stock over to the railroad company within six months.²

Many of the provisions of this charter seem strange at the present time and are given at length only because they are representative of those of all the early railroads built in this section of the United States. The road has interest for the student of railroads because it was one of the earliest of those built along the Atlantic coast; was the nucleus around which a great railroad system has been built; and was and still is, as a part of the Atlantic Coast Line Railroad, the connecting link between the roads that converge at Petersburg and at Richmond. Throughout its entire history and that of its successors it has never undergone a reorganization, a fact, however, which is due largely to the liberality of the state of Virginia.

The first board of directors consisted of five members, three of whom were selected by the stockholders and two appointed by the state.³ The territory through which the road runs was in general favorable to railroad building, with the exception of some small creeks, the James River at Richmond, and the Appomattox at Petersburg. The bridging of these streams, especially of the two rivers, and the maintenance of the bridges proved a heavy cost to the company.

¹ *Vernon's Railroad Manual*, 1874, p. 330.

² Charter, p. 27.

³ *American Railroad Journal*, vol. XXIX, p. 218.

The charter was granted by the Virginia legislature in March, 1836,¹ and in May of the same year a construction company was organized to build the road.² The first president was W. H. McFarland, and upon his election as lieutenant governor of the state, he was succeeded by Holden Rhodes. The company soon bought the Manchester and Petersburg Turnpike Company as provided by the charter, and in the summer work was begun under Moncure Robinson as chief engineer. He estimated that the cost of the road would be \$600,000, which proved in the end to be \$38,000 less than the actual cost. In his preliminary report of December 19, 1835, he placed the estimate at \$571,059. He anticipated both local and through trade from the completion of this, the closing link in the line of railroad communication through the state, and a "handsome trade" in certain articles of freight including coal and cotton.³

Work had not progressed far when the panic of 1837 and the subsequent business depression came. This was a severe blow to the road. Subscriptions came in slowly and the work was often at a standstill. Nearly the whole line was under contract and full supplies of materials had been engaged. The board of directors was therefore compelled to carry on the work by means of requisitions on the stockholders, who were also suffering in their private finances. Moreover, the credit of the road being destroyed, larger sums of money were required.⁴ The state came to the rescue of the struggling road by paying in advance the amount subscribed by the Board of Public Works and also by granting loans. The amount thus secured was \$98,000, afterward increased to \$150,000. It bore interest at 6 per

¹ Acts of General Assembly of Virginia, 1835-36, ch. 121.

² *American Railroad Journal*, vol. xxix, p. 219.

³ Report of Moncure Robinson, chief engineer, December 19, 1835. Published by T. W. White, Richmond, 1836.

⁴ Report of the Richmond and Petersburg Railroad Company, May 14, 1838.

cent and the principal was repayable in \$15,000 installments every six months beginning with the date of the fourth semi-annual payment of interest. The company not only failed to pay the installments as they fell due, but could not pay the interest which had accumulated to the amount of \$35,600. In addition to the aid which was secured from the state, \$61,500 was obtained from England. An agent was sent to London authorized to sell one hundred 6 per cent \$1500 bonds due in 1853. He failed to dispose of the whole number, selling but forty-one. The \$61,500 thus gained was repaid in 1853 from the proceeds of another issue.¹ The company was thus tided over the panic period; but it found itself unable to meet its obligations to the state, whereupon the legislature passed an act in 1843 authorizing the conversion of its loan into stock of the company, on which a 3 per cent dividend was guaranteed.² This was regularly met by the road although in a few instances it had to be paid by means of short-time loans.³ Arrangement was made in 1838 with the Chesterfield Railroad Company for the transfer of all coal designed for Richmond or Petersburg to the Richmond and Petersburg. By a slight elevation of the Chesterfield Road at the point of intersection, the Richmond and Petersburg was enabled to pass under it, thereby facilitating transfer of the coal and obviating all danger of collision.⁴

The roadbed terminated at Manchester across the river from Richmond and connected with that city by a bridge. Negro slaves were used extensively in the construction of the road. The president reported on December 1, 1837, that the disbursements of the month of January would be heavy, as the hire of negroes was then to be paid

¹ *American Railroad Journal*, vol. xxix, p. 219.

² Act of General Assembly of Virginia, 1842-43, ch. 103, p. 71.

³ *American Railroad Journal*, vol. xxix, p. 219.

⁴ Report of President Rhodes of Richmond and Petersburg Railroad Company, May 14, 1838.

and their clothing provided.¹ In May, 1838, the road was put in use from Pocahontas to Manchester, and in September of that year it was extended to the depot at Richmond, the bridge over the James River being completed.

As soon as the road was opened, the services of the company were tendered to the Postmaster General for transportation of the mail, and with his assent the stage contract was transferred to the railroad for the remainder of the year 1838 at a price of \$1260 per year. The first actual mail contract was from January 1, 1839, to June 30, 1843, and was \$237.50 per mile per year, or \$5581 per year.² Within two years bitter complaints were made concerning this contract. The road claimed that having given up the control of its hours of departure to the Post Office Department, it was obliged to run at high speed to deliver on time, and with all the responsibilities involved received no greater pay than for carrying leisurely the same space filled with merchandise.³

Up to 1843 the rails were of wooden string pieces with a light flat bar rail nailed to the top of these stringers. In this year, however, new iron rails (two and one half by three fourths inches) were put down and were used for ten years.⁴ A heavy duty placed on iron in March, 1843, made the improvement imperative before that date.⁵ In 1853 the legislature of the state passed an act giving the road permission to issue 7 per cent coupon bonds to the amount of \$150,000 to enable the company "to complete an edge rail superstructure over the whole line of its road and of

¹ Report of President Rhodes to Board of Public Works of Virginia, December 1, 1837.

² Report of Richmond and Petersburg Railroad Company, May 31, 1839. First report after opening of road.

³ Report of Richmond and Petersburg Railroad Company to Board of Public Works of Virginia, 1841.

⁴ *American Railroad Journal*, vol. xxix, p. 218.

⁵ Report of Richmond and Petersburg Railroad Company, October 31, 1842.

the branch road to Port Walthall.”¹ From the proceeds of the sale of these bonds the entire line was relaid with fifty-one-pound rails and the necessary equipment was added.^{2 3} The small locomotives first used had been brought from England. These were now replaced by larger and better ones.

One of the chief problems of the maintenance of the road arose from the fact that it had a considerable number of bridges to keep in repair. Richmond is situated on the north bank of the James and Petersburg on the south bank of the Appomattox, thus necessitating two bridges. At the opening of the road there were no bridges used, the line terminating at the banks of the rivers. At Petersburg the old turnpike bridge secured from the Manchester and Petersburg Turnpike Company was used as a wagon bridge. Freight and passengers were carried across in wagons and omnibuses. A railroad bridge at Richmond was finished in September, 1838, after the completion of the road in May of that year.⁴ The old wagon bridge at Petersburg was destroyed by a freshet in January, 1840, and the rebuilding of it was a severe tax upon the company. This blow, coupled with the depression of business in 1841 and 1842 following the panic of 1837, and the bad condition of the track at this time so reduced the earnings that the company could not pay a dividend.⁵ The decrease of net earnings is shown by the following figures:

1840.....	\$32,095	1842.....	\$22,941
1841.....	27,814	1843.....	15,158 ⁶

It was thought that the passenger receipts could be in-

¹ Acts of General Assembly of Virginia, 1853-54, ch. 51, p. 35.

² *American Railroad Journal*, vol. xxix, p. 218.

³ *Ibid.*, vol. xxvi, p. 538. Quotation from *Richmond Times*, 1853, states that 2027 tons of rails had been bought, sufficient to relay the whole road.

⁴ *American Railroad Journal*, vol. xxix, p. 218. ⁵ *Ibid.*, p. 219.

⁶ Taken from the reports of the Richmond and Petersburg Railroad Company for these years.

creased if a short arm were built to Port Walthall, near the junction of the James and Appomattox Rivers. Accordingly, at the regular meeting of the stockholders in May, 1842, it was decided to build this three-mile arm. It was completed in 1844 and at the same time a steam tug for towing vessels into port was bought.¹ The entire cost of these improvements was \$40,000 and it proved to be a very profitable investment. Passengers were now able to come by boat up the James and reach the main line of the Richmond and Petersburg Railroad, traveling to northern points such as Washington, Baltimore, New York, and Philadelphia through Richmond, and to southern points through Petersburg. Ships bound for foreign ports were also loaded with freight brought from the interior. Another object was to participate in the passenger business between Richmond and Norfolk. Attempts were made to induce a steamboat company to run in connection. Failing in this an investment was made in the Norfolk and Port Walthall Steamboat Association to prevent any combination being formed with other steamboat lines on the bay prejudicial to the company.² The branch road continued in operation until the Civil War when it was partially demolished and never rebuilt.³

The improvement in the financial condition of the road which took place at this time can be attributed in part to these changes, though some of it was doubtless due to returning prosperity. The report of the Richmond and Petersburg for 1845 did not contain the earnings and expenses of the Port Walthall Branch, but that of 1846 did. The net earnings of the road increased from \$17,246 in 1845 to \$33,586 in 1846, a total of \$16,340 for the year.

¹ Report of the Richmond and Petersburg Railroad Company, May 28, 1844.

² *Ibid.*, May 26, 1846.

³ Statement filed by Atlantic Coast Line Railroad Company with Interstate Commerce Commission.

	1845	1846
Passengers.....	\$31,729	\$36,716
Freight.....	\$21,372	\$35,590
Mail.....	\$6,101	\$6,561
	\$59,202	\$78,867
Total expenses.....	\$41,957	\$45,282
	\$17,245	\$33,585 ¹

Another experiment made at this time was the leasing of the Clover Hill Railroad, a twenty-one-mile line built in 1844 and extending from the main line nine miles north of Petersburg to Clover Hill in Chesterfield County to tap the coal mines at that place.² This proved to be a good move on the part of the Richmond and Petersburg, and in commenting on it later the president said that the annual income which came from hauling the coal turned over to it by the Clover Hill exceeded that which came to the main line from the transportation of all other freight including mail, express, and excess baggage.³ The amount carried from Clover Hill to the Richmond and Petersburg from 1853 to 1867 was as follows:⁴

1853.....	52,100 tons	1861.....	44,199 tons
1854.....	53,478 tons	1862.....	50,608 tons
1855.....	45,430 tons	1863.....	37,168 tons
1856.....	36,857 tons	1864.....	36,385 tons
1857.....	44,836 tons	1865.....	5,743 tons
1858.....	49,022 tons	1866.....	18,315 tons
1859.....	44,992 tons	1867.....	16,414 tons
1860.....	42,857 tons		

The general freight to and from Clover Hill from 1853 to 1867 ran from 52½ to 1685 tons, averaging 885 tons; passengers ran from 156 to 1644, averaging 203 per year. The price of labor at this period can be ascertained from the

¹ Compiled from the Reports of 1845 and 1846.

² *Poor's Manual*, 1868-69, p. 206.

³ Report of Richmond and Petersburg Railroad Company, 1870, p. 751.

⁴ *Poor's Manual*, 1868-69, p. 206.

statement in the report of 1847 that there were engaged in the shops and offices of the company, exclusive of salaried officers, 24 white employees at 75 cents to \$1.75 per day, and about 20 blacks hired by the year at a hire not exceeding \$80 each.¹

In 1848 the mail controversy again arose. Because of a disagreement between the Post Office Department and the Richmond, Fredericksburg, and Potomac resulting in the transfer of mails to the bay route, the northern and southern through mail was taken from the Richmond and Petersburg in December, 1848. Only \$100 per mile was offered for the transportation of way mail, and the offer being refused, all mail left the Richmond and Petersburg by April, 1849, local mail being carried over turnpikes after that date.² This situation did not last long and by December 4, 1849, the differences were adjusted and mail restored to the company at the price formerly paid.³

Another dispute had arisen in the meantime in regard to the number of directors the Board of Public Works, representing the state interest, might appoint. The truth seems to have been that the state owned more than two fifths, but less than three fifths of the stock, and each side claimed the right to appoint the decisive third man. Mr. N. M. Martin, appointed by the Board of Public Works, was refused admittance at the meeting of directors,⁴ and immediately took occasion to formulate a series of charges of mismanagement on the part of the railroad, which document he filed with the Board of Public Works.⁵ These charges, particularly that of collusion with the Port Walthall and Norfolk Steamboat Association,

¹ Report of Richmond and Petersburg Railroad Company, October 1, 1847.

² *Ibid.*, May 30, 1848.

³ *Ibid.*, 1849.

⁴ Report of Board of Public Works of Virginia to Legislature, December 4, 1848.

⁵ Report of N. M. Martin to Board of Public Works of Virginia, October 2, 1848, p. 535.

were refuted by President Wirt Robinson and the matter blew over.¹

Relations of the road with the Post Office Department were continually under strain. In 1854 the difficulties in mail service were detailed; insufficient remuneration for the large amount of night service rendered, and loss of local travel from fixing of hours by the Post Office Department.² In 1855 the same complaints were made and the resolution passed not to transport United States mail after July 1 at less than the present rate, a cut having been threatened, and not to transport it on any terms unless the Postmaster General would agree to stipulate that mail be received at hours not later than those at which travel would be received by it from companies on present mail routes north of Richmond and south of Petersburg.³

In 1858 the average rate of speed adopted by passenger trains on the road including stops was 17.6 miles per hour, in motion 20 to 25 miles per hour; while that of freight trains with stops was 10 miles, and in motion 12 miles.⁴

At the outbreak of the Civil War, the operating ratio of the road had decreased from 74 per cent in 1850 to 44 per cent in 1860. Plans for connecting with the Richmond, Fredericksburg, and Potomac and the Petersburg were already under way but were necessarily interrupted by hostilities.⁵

The situation in eastern Virginia up to the Civil War may be summarized by saying that intense rivalry existed among all the cities. Each promoted that enterprise which seemed most likely to advance its own interest. Richmond and Lynchburg at first were particularly interested in the James River and Kanawha Canal. Norfolk, jealous of the growth of the fall line towns, was trying to secure trade from the West in a roundabout way so that it might not

¹ President Robinson to Board of Public Works of Virginia, January 9, 1849.

² Report of Richmond and Petersburg Railroad Company, 1854.

³ *Ibid.*, 1855.

⁴ *Ibid.*, 1858.

⁵ See Appendix, Table II.

have to go through Richmond. She was securing much trade from the Roanoke section of North Carolina through the Dismal Swamp Canal. Fredericksburg, Richmond, and Petersburg, situated at the falls, were on the direct line of an ever-increasing north and south current of traffic, largely passenger, over poor roads which connected them. With the application of steam to transportation and the introduction and improvement of railroads, these north and south currents became more and more important and water transportation both by canal and river declined. Situated at the head of navigation, these towns had early become important trading centers. The ascendancy thus gained put them in a position to take advantage of the new method of transportation. It was but the logical outcome of events that they should be the first to build railroads. The independent lines constructed to give them the desired connection were finally consolidated into the Atlantic Coast Line.

CHAPTER IV

NORTH CAROLINA AND THE WILMINGTON AND WELDON RAILROAD BEFORE 1860

ECONOMIC CONDITIONS

THE one outstanding fact in the economic development of North Carolina is that the state made but slight advancement from the end of the colonial period up to about the year 1835. Conditions were somewhat similar to those in Virginia. The influential portion of the population lived in the eastern section and dominated the policy of the entire state. It was not until after the adoption of a new constitution, which transferred the election of governor from the legislature directly to the people, that there began a general movement for improvement.

North Carolina has always been preëminently an agricultural state. It produces all kinds of grain, cotton, rice, indigo, tobacco, hemp, and fruits, with abundant pasturage in the mountains. In addition to purely agricultural products, timber has played an important part in its economic development. Pine covers large areas and furnishes the material from which turpentine is distilled. Prior to the Civil War turpentine production gave direct employment to four or five thousand laborers, and ten or fifteen thousand more were supported by the proceeds of its first sale.¹ The state is watered by a number of rivers of considerable size, but in comparison with their size and number they afford few facilities for navigation. The chief problem of the farmer therefore was one of transportation.

Besides the difficulties in transportation the state suffered after the War of 1812 from the fact that it found a

¹ De Bow, *Industrial Resources of the Southern and Western States*, vol. II, p. 172.

market for all its products outside its own borders. In short, there was no home market of importance in which the farmer could dispose of his surplus and purchase his necessities. He secured his supplies abroad and when the time of payment came all the specie was drained out of the state. The state banks could not or did not prevent this. They issued notes which were collected in great numbers in Virginia, South Carolina, and Tennessee and sent home for redemption. It was felt that the crying need was to concentrate the commerce of the state at one or two points and do the trading there. The total annual profit which went to other states from the business of North Carolina was estimated at more than a half-million.¹

The state occupied a unique position in regard to its trade and transportation after the War of 1812. The exports immediately preceding the Revolution were at least double what they were in 1853.² It was estimated in 1819 that 500,000 people had left for the wilderness of the West.³ While a drain of this magnitude was going on any effort on the part of the state to develop its internal resources was practically impossible. The population at this time was 700,000, scattered over the whole area.⁴ This in itself was an impediment to improvement and would have made progress slow even where there were fewer obstacles to be overcome.

North Carolina offered peculiar difficulties on account of the nature of the configuration of its seashore and the obstacles to navigation which arose from the nature of its rivers. The ocean currents which are set in motion by the Gulf Stream meet the currents of the rivers which flow

¹ C. C. Weaver, *Internal Improvements in North Carolina to 1860*, Johns Hopkins University Historical Studies, 1903, p. 21.

² De Bow, *Industrial Resources of the Southern and Western States*, vol. II, p. 172.

³ Hoyt, Papers of A. D. Murphey, in *Publications of North Carolina Historical Commission*, vol. II, p. 105.

⁴ *North American Review*, January, 1821.

down from the mountainous section, thus causing eddies. A deposit has thus been formed which has taken the nature of a long chain of islands just off the coast, cut here and there by inlets. These inlets change position from time to time and even where stationary vary in depth. Only three of them admit ocean-going vessels; one to the waters of the Albemarle, another to those of the Pamlico, and a third to the Cape Fear.¹ Albemarle Sound, into which the Roanoke River empties, is cut off from the ocean by a narrow sand-bar. A vessel descending must sail 150 miles, down and back, over dangerous shoals, passing through Ocracoke Inlet in order to reach a point five miles distant from where it passed into Pamlico Sound. Nine tenths of the shipping of the nineteen counties which had access to these waters went to New York. This portion of the state was thus confronted with almost insuperable obstacles to its trade.

The price of staves in those cities which shipped through Ocracoke was \$25 per thousand; the price at Suffolk only thirty or forty miles away, but in direct communication with the ocean, was \$40 per thousand. Salt which passed through Ocracoke cost ten cents more per bushel than it did at Wilmington.² It was estimated that the lumber producer paid to this inlet one stave out of every three that he sold, the maker of naval stores one barrel out of every four that he made, the cotton grower one bale out of every eight that he produced.

Not only was passage into the ocean difficult, but the rivers which flow into the ocean offer impediments. In all the rivers between the fall line and the ocean, bars have been formed in almost exactly the same manner as the string of islands skirting the coast. The tide meets the current of the rivers and sedimentary bars form. These diffi-

¹ Message of Governor Iredell, November 17, 1828. Published in *Star and North Carolina Gazette*, November 20, 1828.

² Report on Ocracoke Inlet by Committee on Internal Improvements, *Star and North Carolina Gazette*, December 2, 1830.

culties together with the scattered population caused a long delay in undertaking internal improvements.

In 1815 a committee of investigation was appointed by the legislature and reported the next year, recommending that a survey of the state be made, that private companies be incorporated to make needed improvements on the rivers, and that the state become an investor in these undertakings to the amount of one third of their capital.¹ Two companies were accordingly incorporated for the improvement of navigation on the two principal rivers, the Roanoke and the Cape Fear.² The end which the committee had in view was twofold; to improve the inlets and the rivers of the state so that trading centers and inland navigation might be secured. In addition to these main objects, it was urged that attention should be given to roads in the upper mountainous portions where the rivers were too shallow for navigation.

Again in 1819 the subject of internal improvements occupied the attention of the public. In this year there appeared a memoir by A. D. Murphey on the improvements contemplated by North Carolina. It was similar to the former report but was not official. It was broader in scope and was intended to arouse public interest in the subject. The state was represented as directing its efforts to six lines of improvement; to the inlets, to the sounds along the coast, to the primary rivers, to the junction of two or more of these rivers by navigable canals, to public highways, to draining the marshes of the eastern and southern counties.³ The friends of internal improvements claimed that private enterprise could not execute such vast works without supervision and aid by the state. A bill was finally passed establishing a fund for improvements and

¹ Pamphlet reprinted in Publications of the North Carolina Historical Commission, vol. II, p. 35 ff.

² *North American Review*, January, 1821.

³ Hoyt, Papers of A. D. Murphey, in Publications of North Carolina Historical Commission, vol. II, p. 121.

a supervisory board. But the fund was inadequate and within a few years nearly all the navigation companies which had been assisted by it failed. The expenditure of the state from 1815 to 1821 for these purposes was only \$100,000, and up to 1835, the beginning of the railroad era, it amounted to only \$291,576.

Murphey's scheme was too far in advance of the time. It asked the state to do for itself what was sorely needed but what was beyond its ability to perform. Capital was scarce and the stock in the companies for the most part was subscribed by farmers to whom profits were a secondary matter and an outlet for their produce of primary importance. They were unable to give enough personal attention to the companies to insure their success. Another difficulty was the scarcity of labor. The negroes were slaves and consequently had no interest in the improvement; the farmers and mechanics were otherwise employed and would not work except at wages which the companies could not pay.¹

The next effort was that made by President Caldwell of the University of North Carolina in 1828 to effect the building of a railroad from Newberne to Beaufort.² The purpose of the road was the same as that of a canal previously proposed, to connect the rivers in the northern section. In this way the produce along all of them could be collected and a market established at Beaufort within the state. The produce of the Roanoke and all the rivers between it and the Cape Fear would be developed and turned so as to leave the state through one of its own cities. The output of the Roanoke country as well as that of the Neuse and Tar had been sent to market through Virginia, and that of the Broad, the Catawba, and the Pedee, through South Carolina, in all about two thirds of what left the state.

¹ C. C. Weaver, *Internal Improvements in North Carolina to 1860*, Johns Hopkins Historical Studies, 1903, pp. 20-22.

² *Ibid.*, p. 35 ff.

The trade of the Roanoke country alone was estimated at two and a half millions yearly.¹

This north and south connection was finally made by means of the Wilmington and Weldon Railroad which eventually became a part of the Atlantic Coast Line. The two sections to be joined were the Roanoke country and the Cape Fear district. The Cape Fear River is the natural and actual outlet for the produce of twenty-eight counties in North Carolina,² but the great hindrance to early development was the existence of bars which formed below Wilmington and at the mouth. The state had failed in its efforts to procure a system of internal improvements, and it was not until 1826 that the federal government took up the matter. In 1829 the Cape Fear was included in the list of rivers which were to receive a federal appropriation.³ For sixteen years it received an annual appropriation of \$20,000. Progress was slow, but in 1847 a depth of 13 feet at high water was attained. Later, in 1854, although the Democratic party was opposed to internal improvements, the representative of the Cape Fear district persuaded enough Democrats to absent themselves from the House to secure the passage of a bill appropriating \$140,000 to the Cape Fear River. With the object of forcing all the water of the river out through one channel, the closing of New Inlet was begun when the war broke out and the work was abandoned.⁴ The fact that it had not been closed was a great advantage to the Confederate blockade runners.

The impetus which Murphey gave to the sentiment for developing the state never entirely died in spite of the fact

¹ *North American Review*, January, 1821.

² James Sprunt, *Chronicles of the Cape Fear River*, p. 146. Edition referred to in each case is that of 1916.

³ Congress was asked for an appropriation to clear the channel on the ground that during the Revolution vessels were sunk in the Cape Fear below Wilmington for the purpose of preventing the approach of British ships of war. *Fayetteville Journal*, February 11, 1829.

⁴ James Sprunt, *Chronicles of the Cape Fear River*, p. 146.

that nothing of real importance came of his efforts at the time. The idea of developing a home market remained uppermost. Public opinion from the time of the earliest discussion of railroad building in North Carolina had been divided into two hostile camps. The eastern section of the state had contended for the building of a road north and south while the western portion favored an east and west line. In 1828 the citizens of Chatham, Randolph, and Orange Counties issued an address to the citizens of the state favoring the latter. They called attention to the fact that cotton was the only commodity which would bear the cost of transportation from this section of the state to market, and predicted that it would not long do so, since its growth in the Southwest was constantly increasing.¹ E. B. Dudley, later governor of the state, represented the opposite opinion, thinking that a line built east and west would virtually divide the state into two parts, one part being transferred to Virginia and the other to South Carolina.

An Internal Improvements Convention was held in Raleigh on July 4, 1833, at which there were present 120 delegates representing 21 counties of the state.² Opinion in this convention was still divided as to whether the efforts put forth should be directed toward building north and south lines of communication to connect with roads already in process of construction, or east and west to market the products of the state through North Carolina ports. Resolutions were passed to the effect that no work should be prosecuted conveying produce to a primary market out of the state, that the legislature be asked to take two fifths of the stock of companies to be formed, and that a corresponding committee of twenty be appointed in each county. To quote from the records of the convention:

The state cannot be asked to commit an act so suicidal as to lend resources to the accomplishment of any work the tendency of

¹ *Star and North Carolina Gazette*, August 28, 1828.

² James Sprunt, *Chronicles of the Cape Fear River*, p. 148.

which would be to carry any portion of her produce to a primary market beyond her own limits before she has done all she can to create such a market within them and before proper exertions have been made to bring every section within reach of such markets.¹

It had been evident to most of those interested that this primary market within the state must be Wilmington. In the early history of North Carolina this town had enjoyed a considerable trade with the West Indies. Naval stores, lumber, staves, rice, indigo, and hides were shipped in "plantation vessels" of forty to one hundred and fifty tons to other coast towns and to the West Indies. After 1735 there was a great increase in the exportation of rice, the cultivation of which became the chief agricultural industry of the Cape Fear region.

As population spread into the back country, Wilmington still held its place as the most important trade center of the district. It secured much of its trade from Fayetteville, the focus for the wagon trade of the surrounding country as well as for the river pole boats. Fayetteville had an extensive system of plank roads into the interior and thus carried on trade with the country lying west of the Blue Ridge and even with Tennessee and southwest Virginia. The old canvas-topped wagon was the vehicle which served to bring produce to the head of navigation. The starting point of the back trade was Wilmington and before steamers were put on the Cape Fear, wagoning was done in stages between Fayetteville and Philadelphia.² The highland country farmers for a hundred miles around and even sometimes from beyond the Blue Ridge brought their corn, meal, flour, and cotton down to Fayetteville in heavy six-horse wagons, camping at night by the roadside.

¹ Internal Improvements Convention, Raleigh, July 4, 1833. Internal Improvements Documents and Reports, North Carolina State Library.

² Advertisement in *South Carolina State Gazette and Columbia Advertiser*, February 15, 1831.

These wagons were unwieldy, the roads bad, and twenty miles per day was an average rate.¹ But when their work was done in the fall the farmers were at leisure until planting time the following spring. Slowness of travel meant little to them. Even after railroads were built many farmers pursued their old method of marketing. Olmsted describes them in 1854 as getting together a load of produce in the fall and taking it to market as their fathers had done, exchanging it there for "sugar, molasses, coffee and a coffee-mill or other down-coast notion" and returning home.²

Besides the wagon trade there was a large pole boat commerce carried on in small boats pushed up and down the streams which were too shallow for larger ones. Cargoes were unloaded at Fayetteville, shipped to Wilmington and from there reshipped by means of boat through the mouth of the Cape Fear River, or to the north after railroad connection was made. Before the railroad era much of the produce, especially naval stores, found its way in tar and shingle skippers to the coast cities of New England.³ The tonnage of the port exceeded that of Richmond though the city was not more than a quarter the size of Richmond.⁴

THE WILMINGTON AND WELDON RAILROAD

As soon as it was found that railroads were practicable, a movement was put on foot to secure them. North Carolina was late, compared with other states, in securing them. In 1830 she had only one and a half miles of line.⁵ Ten years later she had but 250 miles, which had cost an average of \$12,806 per mile.⁶

¹ Olmsted, *Travels in the Seaboard Slave States* (edition of 1856, Dix & Edwards, New York), p. 350.

² *Ibid.*, p. 364.

³ *Boston Courier*, July 23, 1830.

⁴ James Sprunt, *Chronicles of the Cape Fear River*, p. 157.

⁵ Ringwalt, *Development of Transportation Systems in the United States*, p. 81.

⁶ H. S. Tanner, *A Description of the Canals and Railroads of the United States*, p. 169.

There was a line of steamers plying between Wilmington and Charleston.¹ One of the railroads ran from Raleigh to Gaston on the Roanoke, 87 miles, costing upwards of \$1,500,000, the other was the Wilmington and Weldon, 161 miles long, costing nearly \$2,000,000. Communication from Wilmington to the north had been by means of packets and two stage lines, one through Newberne and the other through Fayetteville and Raleigh.

The idea of building a railroad north from Wilmington seems to have originated with P. K. Dickinson who had seen a short line in operation in New England.² He returned to Wilmington and began agitation for a railroad. The result was that the Wilmington and Raleigh was incorporated on January 3, 1834.³ At this time the intention was to join the principal seaport with the capital but the people of Raleigh would not subscribe. As a result it was decided to build the road into the Roanoke country. Accordingly in December, 1835, the charter was amended to confer larger privileges and change the destination so as to connect with the Virginia lines at Weldon.⁴ Permission was also granted to purchase, own, and possess steamboats to ply from Wilmington to Charleston or elsewhere.⁵

The building of a railroad from Wilmington to Weldon, at that time the longest railroad in the world, was a tremendous undertaking for the citizens of Wilmington. At the time the road was incorporated the population of the town was about 3000, the majority of whom were negro slaves. When the twenty men assembled at the home of Governor

¹ De Bow, *Industrial Resources of the Southern and Western States*, vol. II, p. 176.

² James Sprunt, *Chronicles of the Cape Fear River*, p. 149.

³ Acts of North Carolina, 1833-34, ch. 68.

⁴ The southern portion of the road runs in an almost straight line in the direction of Raleigh. After change in plans it was deflected toward Weldon. See map at beginning of chapter III.

⁵ Reports of the Wilmington and Weldon Railroad Company, vol. I, Treasurer's office, Atlantic Coast Line Railroad Company, Wilmington, N.C.

Dudley and made their subscriptions to the road, the sum subscribed was larger than the entire taxable property of the town. The largest subscription, that of Governor Dudley, was \$25,000. While the road was being constructed its credit became poor and an order of the promoters for one hundred dozen shovels, although indorsed by the stockholders, was refused and it was necessary for one of the stockholders to add a hardware branch to his business in order that the road might secure needed tools. While the company was in such straits it was necessary to hold frequent meetings of the stockholders and directors. The method of announcing these meetings was unique. A citizen of the town owned a docile old gray mare. She was borrowed periodically by the company and decorated with placards swung on either side inscribed "Railroad meeting to-night!" A small negro boy ringing a bell rode her through the streets of Wilmington and thus secured the desired attendance.¹

The main provisions of this original charter were: the road was to run from some point within the town of Wilmington or in the neighborhood of it, to the city of Raleigh; there was to be a meeting of subscribers when \$300,000 or more were subscribed; when 300 shares had been subscribed the company should be incorporated as the Wilmington and Raleigh Railroad Company; two dollars was to be paid at time of subscription; no person owning less than twenty shares could become president. In determining damages when condemning land, advantages had also to be taken into consideration, the difference to be assessed in court; only a company incorporated in North Carolina might be allowed to build a road connecting with this one, the method of weighing cars to be provided by the company desiring to "intersect," with a fine of \$200 for not arranging to weigh. Toll-gates were to be erected at such points as the company might desire, with

¹ James Sprunt, *Chronicles of the Cape Fear River*, p. 154.

a toll of four cents per mile and a transportation charge of nine cents per ton mile. Passenger fares were to be six cents per mile for each passenger until the net profits received should amount to a sum equal to the capital stock expended, with 6 per cent per annum interest thereon, from the time the money was advanced by the stockholders. After that they were to be so reduced as to enable the company to earn only 15 per cent on its investment.¹

The state of North Carolina subscribed two fifths of the capital stock of the company, construed as including both road and steamboat connection with Charleston, a part of which was paid from North Carolina's share in the surplus distributed by the federal government in 1835.² To enable the Board of Internal Improvements to make this subscription a transfer from the Literary Fund was agreed on.

The local jealousies that entered into all works of internal improvement are indicated by the statement of Governor Dudley, *ex-officio* president of the board, that "it can be a matter of not the slightest importance to the people of North Carolina whether the citizens of other states should occupy twelve hours or as many days in passing through the state," and that the primary object was "to throw at least a very large portion of the produce of the state into one of its own markets."³

The main line, extending from Wilmington to Weldon, 161 miles, with a branch from Rocky Mount to Tarboro, 19 miles, was opened on March 9, 1840. The first meeting of the stockholders was held on March 14, 1836, in the courthouse at Wilmington, and organized by electing Governor E. B. Dudley president, General Alex MacRea

¹ Acts of North Carolina, 1833-34, ch. 68, p. 122 ff.

² Letter of Governor E. B. Dudley, February 4, 1837, to Charles Fisher and Thomas G. Polk. Manuscript in Dudley letters, North Carolina Historical Commission, Raleigh, N.C.

³ Report of Governor Dudley, *ex-officio* president of the Board of Internal Improvements, to the Assembly of North Carolina, November 7, 1838.

superintendent, and James S. Green, secretary and treasurer. It was agreed to start building the road at both Halifax and Wilmington at the same time, since subscriptions had been made along the contemplated route as well as at Wilmington. Work was begun in October of that year but little was done until the spring of 1837, and not till 1840 was it finished and opened throughout, though a part was in use from 1838. Its equipment consisted of twelve locomotives, all having names according to the custom of the time, eight passenger cars, four mail cars, and fifty freight cars. The locomotives were built in England, in Philadelphia, and in Richmond.¹ In 1838 and 1839 a stage line was operated in connection with the trains and boats. This stage line, although expensive to operate, secured for the road the transportation of mail several years earlier than could otherwise have been arranged with the government and gave publicity to the road while still under construction.² The distance from Wilmington to Charleston was covered by steamboats, four of which formed part of the material equipment in 1840.³ Congress in that year appropriated \$5000 a year for lighting the Cape Fear River, as navigation at night was necessary for transporting the mail. Until then this expense was borne by the railroad company.⁴

Upon the completion of the road a great celebration was held in Wilmington. People came from the northern part of the state, from Virginia and South Carolina. A great barbecue was spread at the depot at which 550 people were served, bells were rung, 161 guns were fired, one for each mile of line, for this was the first time a train of cars

¹ James Sprunt, *Chronicles of the Cape Fear River*, p. 150.

² Report of Wilmington and Raleigh Railroad Company, May 6, 1839.

³ Report of Chief Engineer Gwynn to Wilmington and Raleigh Railroad Company, April 15, 1840.

⁴ Articles by Senex, Jr. (John MacLaurin) in local newspapers on "Wilmington in the Forties." Reprinted in Sprunt, *Chronicles of the Cape Fear River*, p. 159 ff.

was ever pulled 161 miles continuously on a railroad. Toasts were offered, letters of congratulation read, and in the afternoon the ceremony of mingling the waters of the Roanoke, Tar, and Neuse with those of the Cape Fear was celebrated.¹

The arrival of the Charleston mail and passenger boats, which ran daily to connect with trains at Wilmington, determined during the first years of the road the time of departure of the north-bound trains. Since this schedule was necessarily elastic and varied as much as an hour according to the tides and weather, it was customary for Wilmington citizens bound north to continue their daily affairs until the bell of the approaching steamer was heard. It is said that a chemist once delayed his departure until the train reached Boney Bridge, whereupon the conductor seeing his frantic signal reversed the train and ran back two blocks to take him on board. Another indication that train service in those days was more leisurely and personal than now is the fact that it was the custom of certain officers of the road on occasions to meet the south-bound passengers on their arrival at Wilmington and to present to every lady a bouquet of flowers. Jenny Lind is said to have been one of those thus favored by the secretary and treasurer, Mr. James S. Green. In the case of passengers who remained a few days in Wilmington, this preliminary courtesy was likely to be followed by a series of formal calls by prominent citizens of the town.²

The equipment of this early road also presented a striking contrast to that at present to be found on the Atlantic Coast Line Railroad. The engines could not pull even a light train up a slight incline, so no direct connection with the boat landing was attempted. Baggage was shot down an incline to a hand car and rolled to the steamer. Large trunks, however, were unknown, and it was "the day of

¹ *Charleston Courier*, March 14, 1840.

² James Sprunt, *Chronicles of the Cape Fear River*, p. 150.

bandboxes and bundles to try the patience of husbands or other male attendants." Baggage checking was also unknown, and for some time after it was introduced was used only on special lines. Neither had systems of communication been perfected. Between Monday noon, July 11, 1842, and Thursday night, July 14, three heavy trains were lost between Wilmington and Weldon. The country between the Roanoke and Tar Rivers had been flooded and three breaches caused in the roadbed. One train had lost all communication with the outside world by getting between the rivers, and the other two had been thrown from the track by fallen trees.¹

Relations between the Post Office Department and all the early roads were anything but friendly, and the Wilmington and Weldon made as bitter complaints as did its Virginia neighbors. The bid put in at the expiration of the first contract, June, 1843, was rejected by the Postmaster General, but a slight compromise was thereafter effected. The result was highly unsatisfactory to the railroad, which in October, 1844, published a letter to the public stating its case. In the letter it was declared that the road was "not to blame for all failures from Maine to New Orleans," that the time allowed was a fair weather schedule wholly inadequate on stormy days, and that the remuneration, \$220 per mile, was insufficient and unfair. For the 336 miles covered, 161 by railroad and 175 by steamboat, 31 hours was allowed south and 30 hours north.² In 1846 an accident on the road was attributed to the great speed at which the engines had to run to make schedule time.³

In 1840 the state of North Carolina endorsed the bonds of the company for \$300,000 payable in equal installments of \$50,000 from 1842 to 1847, to enable the company to pay

¹ Articles by Senex, Jr. (John MacLaurin) in Sprunt, *Chronicles of the Cape Fear River*, p. 159 ff.

² Report of the Wilmington and Raleigh Railroad Company, November 14, 1844.

³ *Ibid.*, November 12, 1846.

the balance of debts incurred in construction. The first installment was met, but because of the fire in Wilmington in April, 1843, destroying much property of the company, the second could not be paid. The state therefore invested its Literary Fund in the bonds due in 1843, those due in 1844 were paid by the public treasurer. In 1844 the company asked the legislature to authorize the endorsement of new bonds of longer term, stating that since a mortgage had been given the state on all property of the railroad, the company was deprived of credit and ability to negotiate loans, on its own account.¹ Similar pleas were made in following years, and in January, 1849, an extension of ten years was granted.² To quote President McRae:

As well might the farmer who had built but half of his fence expect to protect his crop and gather it at harvest time as for the state to stop short with works in which she conjointly with her citizens has embarked, before they are completed and expect to reap the profits. The policy is to go on until one or more enterprises undertaken within her limits is finished.³

In the same report President McRae comments on the adoption of the flat rail as the unfortunate mistake of the southern roads and the chief cause why they had been unprofitable to the stockholders. In 1848 the legislature passed a bill authorizing the mortgage of the road for \$600,000 for the purpose of purchasing iron.⁴ The agitation for the iron rail once begun was continued until the entire line of the Wilmington and Weldon was relaid in the fifties. After the road had been in operation for seven years, it subscribed \$100,000 to be paid in cash to the Wilmington and Manchester upon the completion of that line.

The companies composing the inland route had constantly to meet competition from the sea route which could

¹ Memorial of the Wilmington and Raleigh Railroad Company, to the General Assembly of North Carolina, December 10, 1844.

² James Sprunt, *Chronicles of the Cape Fear River*, p. 152.

³ Report of the Wilmington and Raleigh Railroad Company, November 12, 1847.

⁴ James Sprunt, *Chronicles of the Cape Fear River*, p. 152.

afford to set a much lower price than that of the railroads. To add to the attractiveness of inland travel, through ticket arrangements were made so that by 1849 tickets could be purchased in New York for Charleston and in Charleston for New York.¹ Passenger fares were regulated by the companies upon the per mile rate, the proceeds of the through ticket being divided in proportion to distance. In 1851 a contract was made with the Washington and New Orleans Telegraphic Company to put up posts for a line of telegraphic wires from the junction of the Petersburg Railroad to Wilmington. By contract the telegraph company was entitled to free use of the railroad.²

A comparison of the year 1853 with 1841, the first year after the completion of the road, showed an increase in earnings from local travel from \$8075 to \$138,148 and in freight from \$29,726 to \$112,582.³ For fifteen years after its opening in 1840 the Wilmington and Raleigh was the only conveyance along the seaboard by railroad for passenger travel and United States mail. In 1858 the company paid semi-annual dividends of 7 per cent and had a large surplus. The cost of the road and equipment was estimated at \$2,776,404 in that year. When the North Carolina Railroad was completed it was arranged that the products of the West should go to Wilmington through Goldsboro. All breaks at terminals were as far as possible removed and a joint arrangement with the Florida Railroad was effected to secure a large amount of the southern travel. This became then and has remained one of the chief sources of revenue to the Atlantic Coast Line.

By 1853 the preliminary period may be said to have come to a close and the act of that year,⁴ amending the charter, marks the beginning of a new era. According to

¹ Report of the Wilmington and Raleigh Railroad Company, November 8, 1849.

² *Ibid.*, November 13, 1851.

³ *Ibid.*, November 10, 1853.

⁴ Acts of North Carolina, 1854-55, ch. 235, p. 302.

the terms of the act, the voting power of the state on the board of directors was reduced by one third, owing to the fact that the state had disposed of one third of its shares.¹

Then, too, the name of the road was a misnomer. It was chartered as the Wilmington and Raleigh, but was built to Weldon instead of to Raleigh. The name was therefore changed to the Wilmington and Weldon.

Besides the line between Wilmington and Weldon, there had been constructed prior to the Civil War a nineteen-mile branch to Tarboro. This branch was begun in 1850 and put into operation in August, 1860.

During the existence of the road as the Wilmington and Raleigh, securities were sold in England. These were beginning now to fall due and it was with difficulty that payment was met.

The ticket arrangement with the lines to the north was a constant source of worry to the officials. It was becoming more and more difficult to procure slaves or free blacks for freight hands, and resort was had for a time to white men, but these left when they found their work harder than they anticipated or when their immediate wants were satisfied. To improve the labor situation, the chief engineer in 1860 urged the purchase of at least twenty able-bodied young negroes for use at trains and at warehouses.

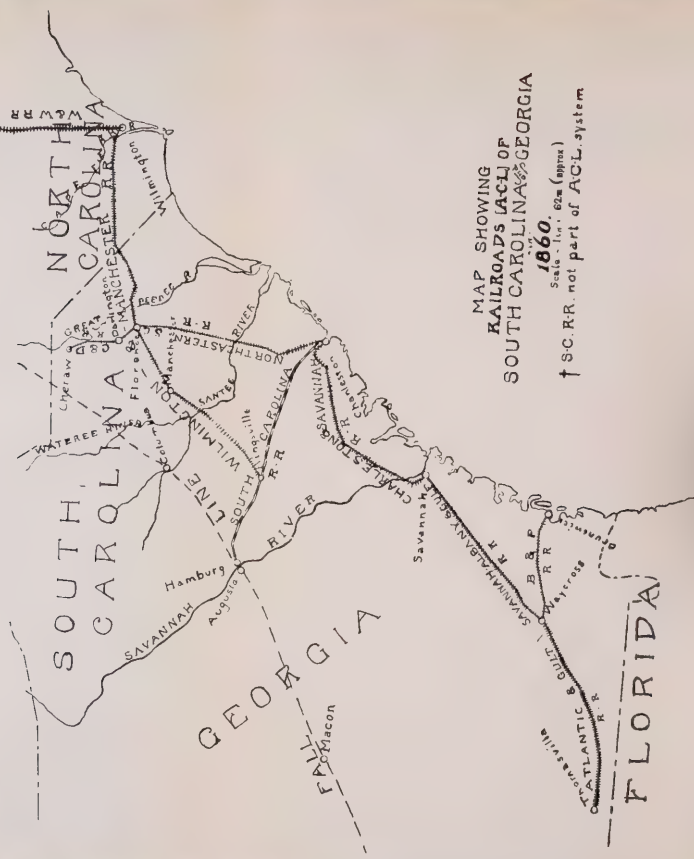
Growing competition was another problem of the company. The Virginia and Tennessee Railroad had been constructed and was becoming a competitor at a time when the naval stores business, which had been one of the main supports of the Wilmington and Weldon, was falling off. The outside steamers continued to secure much traffic at Wilmington which otherwise would have gone over this road.²

¹ The proceeds of the sale were invested in the Wilmington and Manchester.

² Report of Wilmington and Weldon Railroad Company, November 11, 1858.

When the war came "all minor matters were dropped from consideration and the company began to serve the Confederate Government, in the transportation of troops and munitions of war."

To
Weldon



MAP SHOWING
RAILROADS (ACCL) OF
SOUTH CAROLINA & GEORGIA
1860.

Scale - 1 in. = 62 1/2 miles (approx)

† SC.R.R. not part of ACL system

CHAPTER V

THE SOUTH CAROLINA-GEORGIA TERRITORY AND ITS RAILROADS BEFORE THE CIVIL WAR

THE railroads of the South Carolina-Georgia territory which became a part of the Atlantic Coast Line System were built mostly in the older sections of the states. The farthest point west reached by any of those in South Carolina was Kingsville on the Charleston and Hamburg, little more than halfway between the coast and Augusta.

In Georgia there were two roads, one running from Savannah and the other from Brunswick. These intersected at what is now Waycross. The one from Savannah was extended and under another name was constructed into the Southwest as far as Thomasville.

The purpose of the builders of these Georgia lines was to connect by rail the Atlantic Ocean and the Gulf of Mexico. The construction of such a railroad would supplant the old dirt road cut through the wilderness to obviate sailing around Florida in order to reach the Gulf cities of Mobile and New Orleans.

At the time these lines were built transportation conditions in the two states were very similar. Poor roads prevailed here as in Virginia and North Carolina. The old stage routes formed the main lines of communication. One of these running between Charleston and Savannah formed a part of what was known as the "New Southern Line" from New York to New Orleans.¹ This old route remained in existence well into the railroad era. Passengers reached Charleston from New York, Philadelphia, and other northern cities by means of boat, railroad, and stage coach. From Charleston they went by boat to Brunswick;

¹ *Charleston Courier*, December 21, 1839.

from Brunswick to Tallahassee by post coach; then through Apalachicola, Pensacola, and Mobile to New Orleans.¹

Roads were at times impassable. Harriet Martineau, in traveling through the Carolinas and Georgia on a trip of several days' duration, saw but one other vehicle and that was a stage returning from Charleston.² In the winter of 1828 the road from Columbia to Charleston became so bad that it was impossible for the stages to get through and the mail was carried on horseback. All sorts of obstructions existed and it was sometimes necessary to take the wheels off the stage coaches and lift the different parts one at a time over a fallen tree.³ The character of some of the drivers was not above reproach. Drunkenness among them was common. Under such circumstances only those traveled who were impelled by curiosity or forced by necessity to do so; only such surplus products reached an outlet as could bear the cost of transportation from the interior to a navigable river or those which were produced in the neighborhood of such a river. In the hill country corn was grown, converted into whiskey, and thus marketed.

Besides the old cities where settlements along the coast had first been made, there had sprung up along the fall line a number of what may be called secondary settlements which had become the chief inland markets. Important among these was Augusta, up the Savannah River from Savannah. It became the greatest inland cotton market. Merchants here bought cotton from farmers as far west as Athens. Boats plied the Savannah, carried down cotton, and brought back supplies to be distributed to the interior.

The two important markets in South Carolina were Columbia on the Congaree and Camden on the Wateree. Country products were sent down the two rivers to their

¹ Running advertisement in *Charleston Courier*, 1840.

² Harriet Martineau, *Society in America*, vol. II, p. 172.

³ Mrs. Royall, *Southern Tour*, vol. II, p. 99.

junction and thence down the Santee and through the Santee Canal to Charleston. These inland markets, while important, never reached the point attained by Augusta. The main difficulty was obstruction to navigation.

While the population of South Carolina was centered along the valleys of the eastern rivers, rice was the chief product, but when the upland and hill country to the west was settled, cotton became the leading product. Tobacco and indigo had each in turn been the staple of the state in early times, but had given place to cotton.¹ During the latter part of the eighteenth century corn, wheat, barley, tobacco, hemp, flax, and indigo were exported, but by 1825 the cotton and rice growers did not raise enough grain and forage to support their stock. Neither did the eastern sections raise enough stock to do the work on the plantations, but secured the supply from the western hill country and mountains, from which the animals were driven to market.

Compared with agriculture, manufactures played a very unimportant part in the economic development of the state. A few mines and forges had been in operation at an early date. During the Revolution premiums were offered for the production of iron. In 1840 there were four furnaces and nine bloomeries turning out about 2500 tons annually. This production remained about constant for twenty years and then declined.²

South Carolina was a great exporting state at the beginning of the nineteenth century, with a population in 1820 of 500,000.³ Of the \$82,000,000 of commodities which were exported from the United States in 1816, the share of South Carolina was \$11,000,000. New York State alone ranked higher.

With the application of steam to the steamship and its

¹ Mills, *Statistics of South Carolina*, p. 153.

² Swank, *History of Iron in All Ages*, p. 276.

³ Mills, *Statistics of South Carolina*, p. 177.

improvement, ocean trade currents were shifted. The steam vessels coming from Europe or going to Europe now went in a direct line regardless of ocean currents and winds, whereas the old sailing vessels were dependent upon them. The route from Europe to America had formerly been down the coast of Africa into the trade winds, and across the Atlantic, thence with the Gulf Stream to the American coast. Charleston, Savannah, and the other South Atlantic cities were the natural termini of these sailing routes.

These old coast cities might have been able to hold their own if they had been in a position to enter into the contest on an equal footing with those farther to the north. But at the very period when ocean transportation was being revolutionized, the manufacturing, commercial, and carrying interests of the section were waning. Moreover, cotton was fast becoming king and an ever-increasing amount of attention was being given to agriculture.

As early as 1824 most of the produce leaving southern ports was being carried in vessels belonging to northern capitalists. As cotton became the center of interest, manufacturing and industrial pursuits declined, shipbuilding along with the rest. This decline in shipbuilding continued until the Civil War. In 1840 the South built 138 of the 1022 vessels constructed in the United States. In 1860 this section built 236 vessels with a total tonnage of 39,478, or an average of a little more than 166 tons per vessel. During the same year the North built 835 vessels with a tonnage of 173,414, or an average of over 180 tons per vessel. Southern-built vessels were for use on rivers and in the coastwise trade rather than for transatlantic service as were those constructed in the North. The shipyards along the Carolina-Georgia coast were becoming of less importance; those north of the Virginia Capes, more.¹

From the foundation of the government to 1860,

¹ Edward Ingle, *Southern Sidelights*, p. 70.

\$12,994,998 were given as bounties on vessels. Of this amount Massachusetts received \$7,926,273, Maine \$4,175,050, the South practically nothing.¹ This is not, however, the only explanation of the decline of shipbuilding in the South. Agriculture under the system of slavery was more profitable to this section than shipbuilding even with a bounty. The decline in shipbuilding was only one manifestation of the stagnation which was settling on the South. Along with the decline of shipbuilding came also a decline in shipping. The produce shipped from Charleston in 1820 amounted to \$8,690,000. By 1847 this had fallen to \$7,783,000.²

It was estimated that from 1830 to 1850, \$500,000 a year left Charleston and went out of the state to purchase articles which could have been manufactured at home. From 1830 to 1840, 83,000 slaves were carried out of South Carolina to the Southwest by their masters yearly, from land that produced 1200 pounds of cotton per hand to land that produced 1800 pounds. This draining of South Carolina and eastern Georgia of their population and resources, chiefly to the Southwest, checked the development of these states. In 1820 they produced one half of the cotton grown in the United States; by 1850 this had fallen to one fifth.³

In both Georgia and South Carolina the early wealth and culture were centered along the coast.⁴ When the Southwest opened up and the growth of cotton began to occupy the chief place, much of the wealth and many of the farmers moved into this new country. The tide water section farther north had almost given up tobacco after the War of 1812, and slaves were numerous. Many owners removed to Georgia with their whole households in the

¹ Edward Ingle, *Southern Sidelights*, p. 70.

² De Bow, *Industrial Resources of the Southern and Western States*, vol. III, p. 139.

³ Governor Hammond in De Bow, *Industrial Resources of the Southern and Western States*, vol. III, p. 25.

⁴ Smith, *Story of Georgia and Georgia People*, p. 241.

expectation of making fortunes by growing cotton. Some settlers came from as far north as Maryland. Many of them, when they had lived for a few years in the country, became dissatisfied, and moved on farther west, and took up new land in a new country.¹

There was another class of settlers who came into Georgia in large numbers. There were the poor farmers who could not compete with the big slave-owners from the older states. They had exhausted their land by a wasteful system of agriculture and had had to seek their fortunes in a new country. The small farmers settled for the most part in the poor, sandy, pine hill section and raised cattle which could be driven or cut timber which could be floated to market.² The earliest settlers of this portion of the state raised some tobacco and attempted to establish manufactures,³ but cotton raising soon became the chief industry. Harriet Martineau estimated in 1831 that the shoe manufacturing business alone in New York State amounted to more than the entire commerce of Georgia in that year.⁴ Manufactures could not develop where cotton culture monopolized practically all effort and capital. The fifteen years from 1820 to 1835 was a period of bustle and hurry. Everybody was growing cotton and fortunes were being

¹ A migrant from Maryland met his brother in Columbia, South Carolina, after a separation of several years. When they had exchanged greetings, the South Carolinian was astonished to find that his brother was on his way to Florida, having sold all his property in Maryland. Upon inquiring what he would do if he did not find Florida to his liking, he received the reply: "Why, move along westward, to be sure, and if I don't find anything to suit me by the way in the state of Georgia or Alabama, I can easily put my whole establishment, wife, children, furniture, slaves, and other articles on board a steamboat and proceed up the Mississippi." His wife added: "We have been doing so all our lives. You do not know what it is to be married to a gadding husband." (From Hall, *Travels in America*, vol. III, p. 128 (ed. 1829).

² Smith, *Story of Georgia and Georgia People*, p. 299.

³ The first factory in Georgia was established in 1810 and was located twelve miles out of Washington, Georgia. Smith, *Story of Georgia and Georgia People*, p. 237.

⁴ Harriet Martineau, *Society in America*, vol. II, p. 229.

accumulated rapidly. The planters spent their own money and borrowed all they could get. Cotton growing was the chief activity. A man with an income of \$5000 a year lived in a cabin and fed his family on bacon and corn bread. But because of difficulties of transportation the system of growing cotton and buying supplies had not arisen. Most of the western plantations were self-sufficient.¹

While the Southwest was being developed rapidly, the eastern sections of Georgia and South Carolina were not prospering. The fertility of the land in the older sections was being exhausted and population was moving west. The population of Charleston in 1810 was 24,700 and in 1840 had increased by only 5000.² The chief exports continued to be rice and cotton.³ There was little manufacturing of any kind and most of the business men were engaged in trade which they secured by a number of steamboat lines to the inland towns.⁴ The position of Savannah was not materially different from that of Charleston or Wilmington. Its trade had been in the same commodities. Its population had grown but slowly. In 1810 there were something over 5000 people living there; by 1840 the population had slightly more than doubled.⁵ The town had depended largely on the cotton and rice export trade for its business prosperity. The first cotton had been shipped from Savannah between 1770 and 1780. Its cotton export had grown, reached a maximum in 1844, and then declined. Its rice export began to decline after 1846.⁶ Not only was its export trade declining, but it was also becoming more and more dependent for its supplies on the North. In 1848 there were shipped to Savannah 600,000 pounds of tobacco, valued at

¹ Smith, *Story of Georgia and Georgia People*, p. 352.

² Bancroft, *Savannah, Census and Statistics*, p. 2.

³ Hall, *Travels in America*, p. 189; Mills, *Statistics of South Carolina*, p. 389.

⁴ Mills, *Statistics of South Carolina*, p. 428.

⁵ Bancroft, *Savannah, Census and Statistics*, p. 2; White, *History of Georgia*, p. 158.

⁶ See Appendix, Table V.

\$150,000, most of which came from New York; 5000 barrels of potatoes from New York; and 4000 barrels of apples from New England. The potatoes and apples were valued at \$10,000.

The condition of shipping may be seen from the clearances for the year 1847-48: American vessels arrived from foreign ports, 40, with a tonnage of 6925; American vessels arrived coastwise, 397, with a tonnage of 99,409; foreign vessels arrived from foreign ports, 51, with a tonnage of 28,766; American vessels cleared to foreign ports, 61, with a tonnage of 14,340; American vessels cleared coastwise, 39, with a tonnage of 28,012; foreign vessels cleared to foreign ports, 55, with a tonnage of 30,570.¹

With the general decline of the eastern section, chief interest centered in the western portion of the region. The aim of the eastern seaboard cities was to reach out and secure, if possible, a foothold in the newer Southwest. By so doing they would secure the produce of that section, chiefly cotton and naval stores, for their own market at the expense of Mobile and New Orleans. Most of the early railroads of South Carolina and Georgia were built with this object in view.

Those railroads of South Carolina and Georgia, which were afterward incorporated in the Atlantic Coast Line System, had much less influence on the economic development of that section than did the roads of Virginia and North Carolina on the territory farther to the north. There are two reasons why this was so; first, they were built later, after other roads had been established, and were, therefore, subject to more intense competition than had been the case with those of Virginia and North Carolina; second, many of them were built to serve the interest of a particular section. To illustrate: the Cheraw and Darlington was built largely by the people of the upper Peedee as an all-year outlet for their naval stores. The Northeastern

¹ Bancroft, *Savannah, Census and Statistics*, p. 38.

of South Carolina was built to revive the failing fortunes of Charleston. Its purpose was to bring to Charleston trade which had been diverted by the Wilmington and Manchester. The Brunswick and Albany and the Savannah, Albany, and Gulf were constructed as rival lines into the growing southwest Georgia territory. The Savannah and Charleston, variously named after reorganizations, was built largely in the interest of Charleston. Its main object was to attract cotton to Charleston whence it might be shipped. Little success attended any of the roads built at this time in the Georgia-South Carolina territory.

For purposes of discussion the roads of this section may be divided into two groups, as follows: first, those forming eventually the Atlantic Coast Line of South Carolina; and second, those forming, after the Civil War, the Savannah, Florida, and Western.

I

THE ATLANTIC COAST LINE OF SOUTH CAROLINA GROUP

In this group of roads were the Wilmington, Columbia, and Augusta; the Northeastern of South Carolina; and the Cheraw and Darlington. During the period under consideration they were all independent roads. It was not until long after the Civil War that they, with others built after the war, were consolidated into a small system known as the Atlantic Coast Line of South Carolina, and as such incorporated into the Atlantic Coast Line proper.

The Wilmington, Columbia, and Augusta Railroad

The first of these roads, the Wilmington, Columbia, and Augusta, from the time it was chartered in 1846 to its entrance into the Atlantic Coast Line of South Carolina at a much later period, had a checkered career. It underwent three sales of foreclosure and two reorganizations, leased another railroad and failing to pay the rental, was

in its turn leased by it. The road was originally chartered in 1846 as the Wilmington and Manchester,¹ and was opened in 1854 from Eagle Island opposite Wilmington to Kingsville, South Carolina, a distance of 172 miles. Largely because it was unable to secure favorable traffic arrangements with the Charleston and Hamburg, it was not successful, and was sold for the first time under foreclosure in 1857. Though this road was financially unsuccessful, its economic effects were felt. Before its construction a large part of the freight and passenger traffic from the north of Wilmington reached the Southwest through Charleston. When the Wilmington and Manchester was built, this traffic began to pass over its lines and reach Columbia or Camden, and from these inland markets to be distributed to the interior by the wagon routes or over the Charleston and Hamburg Railroad by way of Branchville.

The Northeastern Railroad of South Carolina

In order to regain this lost business, the people of Charleston projected a road to run north to intersect the Wilmington and Manchester at Florence. Such a road would receive the traffic brought through Wilmington and carry it south to Charleston. This arrangement would re-establish conditions as they had been before the Wilmington and Manchester was built, the only difference being that commodities and passengers would now move from Wilmington to Charleston by rail, whereas formerly they had moved by boat.²

The road projected was the Northeastern of South Carolina. It was chartered in December, 1851, with an authorized capital stock of \$2,000,000 and power to build a railroad from Charleston to Florence, a distance of 102 miles.³

¹ Acts of North Carolina, 1846-47, ch. 82, p. 175.

² See map at beginning of chapter v.

³ *Vernon's Railroad Manual*, 1874, p. 350.

The road ran through a sparsely settled country and its financial success was doubtful from the first. It was financed largely by the city of Charleston and the banks of that city. The cost of construction was \$21,000 per mile. The road was opened for traffic on August 5, 1857.¹

With the exception of the traffic which it received from the Wilmington and Manchester, it was wholly dependent on local traffic originating in a thinly settled agricultural region. It had competition even in this field in its early history, for it crossed the Santee Canal, which connected the Santee River and Charleston, thus giving water transportation to a large part of the territory which would otherwise have been compelled to ship over the lines of the railroad.

The Cheraw and Darlington Railroad

The construction of the Northeastern to Florence on the Wilmington and Manchester did not give the people of Charleston the expected relief. They were interested, therefore, in an extension of the line from Florence, beyond the Wilmington and Manchester, into a section not yet fully developed. The proposed extension was the Cheraw and Darlington Railroad.

Cheraw is a town located on the Great Peedee River. The river is open to navigation only half the year, and it was but natural that the town, which dominated the trade of the whole surrounding country and even that of a part of North Carolina, should want a better outlet than the Peedee. Consequently an attempt was made as early as 1837 to secure sufficient capital to build a road due east to Conwayboro, situated on the Waccamaw River. This was the head of navigation, and such a road, together with the boats plying the river, would have given an all-the-

¹ *Commercial and Financial Chronicle*, vol. v, p. 265.

year-round outlet.¹ A convention was called at Marion Court-House in January, 1837, which provided for a survey for the road. The distance was eighty-five miles, and the report of the engineers stated that the country to be traversed was level and the soil easy to handle; that the rights of way could be had without cost; and that labor would cost about seventy-five cents a day plus board. The report further says that the road would cost about \$607,232; that the probable earnings would be \$133,000 and the expense \$90,000.² All the plans, however, came to nothing, for the panic of 1837 prostrated business and put an end to improvements.

After a decade a second period of building started in this section, and the people of Charleston subscribed \$100,000 on the condition that the road should be built to connect with the Northeastern at Florence. The Northeastern even subscribed \$25,000 to be paid in transportation. The Cheraw and Darlington Railroad Company was therefore organized and enough capital secured to begin the building of the forty miles between Cheraw and Florence.³ Construction was begun in 1854 and completed in 1855.⁴ The road cost for grading \$77,000; for bridges, etc., \$22,000; for superstructure \$288,200, making a total of \$387,200.⁵ The rolling stock was rented from other roads. The road had hardly begun operation when it was badly damaged by a freshet in 1856. This necessitated borrowing for reconstruction work, and at the end of 1857 the floating debt was \$85,000. By this time, too, the surrounding towns had secured railroads and the Cheraw and Darlington had

¹ U. B. Phillips, *History of Transportation in the Eastern Cotton Belt to 1860*, p. 349.

² Report on the proposed Cheraw and Waccamaw Railroad, by E. W. White, Fayetteville, North Carolina, 1837.

³ *Poor's Manual*, 1898, p. 286.

⁴ Reports of the Cheraw and Darlington to the legislature of South Carolina, 1855, 1856, 1857.

⁵ Report of the Northeastern Railroad Company of South Carolina, 1854.

difficulty earning enough to meet its expenses. It continued, however, as an independent company until it went into the Atlantic Coast Line of South Carolina.¹

II

THE SAVANNAH, FLORIDA, AND WESTERN GROUP

Besides the roads of the Atlantic Coast Line of South Carolina group, a second group of roads in South Carolina and Georgia were constructed in the decade before the Civil War. These were later consolidated into the Savannah, Florida, and Western, or what was popularly known as the "Plant System." Of the large number of roads which went into this system, before it was purchased outright by the Atlantic Coast Line Railroad, only three came into existence before the Civil War. These were: The Brunswick and Florida; Savannah, Albany, and Gulf; and the Charleston and Savannah.

The Brunswick and Albany Railroad

The Brunswick and Albany had its beginning in an old canal company which secured a charter in 1826.² It failed and a new charter was obtained in 1834 with promise of aid from the state. At the same time there was under way an enterprise for a railway from Brunswick to Albany. This was incorporated as the Brunswick and Florida Railroad Company in December, 1835.³ The charter guaranteed that for a period of twenty-five years no competing company would be chartered by the state to run a line within twenty miles of its own. The panic of 1837 put an end to the undertaking. Nothing more was done until the fifties, when funds were raised and preparations made to

¹ U. B. Phillips, *History of Transportation in the Eastern Cotton Belt to 1860*, p. 349.

² *Ibid.*, p. 357.

³ *Ibid.*, p. 359.

build the road. In the meantime the Savannah and Albany Railroad Company had been chartered in 1847 and by 1855 was ready to begin work on its right of way. The provision of the charter of the Brunswick and Florida, guaranteeing it freedom from competition, was brought forward by that company. This gave the Brunswick and Florida an advantage; but its financial position was weak, and the company was glad to give up the privilege in return for a subscription of \$500,000 to its stock by the state. Both roads were constructed and met at what is now Waycross. After this agreement a new company was chartered. The Savannah and Florida, which had in turn become the Savannah and Albany¹ and the Savannah, Albany, and Gulf, now became the Atlantic and Gulf.

The Atlantic and Gulf Railroad

The Atlantic and Gulf Railroad was designed to extend from a point near Waresboro on the Satilla River to the western boundary of the state, at any point between Fort Gaines and the junction of the Flint and Chattahoochee Rivers.² The object in constructing the road was to open up a direct route with the Gulf of Mexico. Among other things the charter provided that when \$600,000 should be subscribed in good faith by the public, \$500,000 should be subscribed by the governor on behalf of the state, and if more than \$600,000 should be subscribed by the public, the governor should raise the state's subscription in the same proportion, not, however, to exceed \$1,000,000. To pay the subscription of the state, the governor was empowered to use any surplus which might be in the treasury, and if this proved to be insufficient, he was given permission to issue twenty-year 6 per cent coupon bonds. Any other road constructed in the state could make physical

¹ U. B. Phillips, *History of Transportation in the Eastern Cotton Belt to 1860*, p. 187.

² *American Railroad Journal*, vol. xxix, p. 157.

connection with this one, provided the stockholders of the Atlantic and Gulf used their own money in building it. In addition to this state aid, Congress set aside 400,000 acres of land lying along the proposed line,¹ the proceeds from the sale of which were to be used to aid in its construction. Work on the road began very soon and was prosecuted so energetically that by November, 1860, the line was completed to Thomasville, 160 miles southwest of Savannah.² It was expected that the work would be completed to Bainbridge, Georgia, by January, 1861,³ but difficulty was experienced in securing material, which came largely from England.⁴ Some work was continued on this section of the road until 1864, when further progress became impossible because of the Civil War. Not only was it impossible to push the new work to completion, but that part of the road which had been finished suffered greatly from neglect.⁵

The Charleston and Savannah Railroad

The third road of importance in this second group of southern roads was the Charleston and Savannah, chartered in 1853.⁶ The following year a survey of two routes was made between Charleston and Savannah. The lower route was 105 miles, with a maximum grade of 21 feet per mile. The estimated cost of construction was \$20,000 per mile. This route crossed the numerous rivers flowing into the Atlantic, below the head of schooner navigation. The so-called upper route was somewhat longer, being 117 miles in length. It crossed the same rivers as the other, but above the head of navigation. The estimated cost of this route was \$17,600 per mile. The surveyor suggested the lower

¹ *Vernon's Railroad Manual*, 1874, p. 359.

² *American Railroad Journal*, vol. XXXIII, p. 1014.

³ *Ibid.*, p. 348.

⁴ *Ibid.*, p. 893.

⁵ *Commercial and Financial Chronicle*, vol. VI, pp. 456-58.

⁶ Acts of South Carolina, 1853, No. 4142; Acts of Georgia, 1853-54, p. 406.

as the more profitable, as it gave direct connection with points on the Georgia Central Railroad.¹ The road was built and opened for traffic in the fall of 1860,² but was demolished by Sherman on his march to the sea, so that all it possessed at the close of the war was a right of way, a graded roadbed, and a franchise.³

¹ Only one man on the entire line gave the right of way, and he afterward enjoyed the distinction of having a locomotive named for him.

² Report of John McRae, *American Railroad Journal*, vol. xxvii, p. 550.

³ *Poor's Manual*, 1881, p. 384.

CHAPTER VI

SUMMARY OF RAILROAD CONDITIONS ALONG THE ATLANTIC SEABOARD TO 1860

FROM the foregoing chapters it will be seen that prior to 1860 the roads which were to become the Atlantic Coast Line System were gradually growing in their dependence on each other. In 1860 the railroads of Virginia and North Carolina, which went into the Atlantic Coast Line, together with the Richmond, Fredericksburg, and Potomac, formed the main link in a direct north and south inland and water line between Washington and Charleston. Those in South Carolina and Georgia were of much less importance. They formed no connecting link between important centers of trade. Branching off inland at Wilmington, Charleston, Savannah, and Brunswick, they ran to the southwest. Moreover, these roads were built too late to secure the advantages which come to new lines from entering virgin territory. Competition was keen for what passenger and freight traffic there was, and the momentum of an early start gave an advantage to their competitors. The whole system somewhat resembled a fan and its handle, the handle extending from Washington to Wilmington and the fan being that network which spread from Wilmington toward the southwest.

Chief interest then centers in the three roads which formed the line of communication between Wilmington and Richmond. The distance by rail is 245 miles. The three roads, the Petersburg, the Wilmington and Raleigh, and the Richmond and Petersburg, were all of the same gauge, but there was no physical connection at Petersburg or at Weldon. It was, therefore, impossible to transfer cars from one road to another. All through passengers and freight had to be transferred by omnibus or by wagon. The Peters-

burg, tapping the Roanoke country, brought produce to the Appomattox at Petersburg, where it could be loaded on ship and sent to Baltimore, Philadelphia, and New York. The Wilmington and Raleigh connected the Roanoke country with that of the Cape Fear. The main purpose held in view by the builders was to collect the produce of the various river valleys which the road crossed and take it to a market within the borders of the state of North Carolina. The Richmond and Petersburg formed primarily a connecting link between the Richmond, Fredericksburg, and Potomac and the Petersburg roads. Before it had been in operation two years it had secured three fourths of the traffic which had formerly gone *via* the James and Appomattox Rivers between the two cities, Richmond and Petersburg.

It was inevitable that the construction of this 245 miles of road should cause a rearrangement of the north and south passenger and freight routes. The first visible effect was in passenger travel between the North and South. With the completion of the Richmond and Petersburg, there was only one break in the continuous line of railroad between New York and Wilmington, that from Washington to Acquia Creek on the Potomac. The time in transit over this route, in connection with the line of boats which the Wilmington and Raleigh operated between Wilmington and Charleston, was the quickest between the northern cities and Charleston. Competition between the Atlantic lines of railroad and the ocean packet lines immediately developed. The railroads, so long as they acted as a unit, were able to maintain themselves in this contest in spite of the inconveniences due to the fact that passengers had to be conveyed from one line to another in omnibuses. In order to meet competition there were frequent reductions in the through fare on the part of the railroads.

In the early period the railways were merely supplemental to the waterways. In the sense in which the term is understood to-day there was no through freight. Almost

no freight originating south of Wilmington was carried by rail to New York, Philadelphia, or Baltimore. Various roads collected the commodities produced along their lines or grown in that territory which had access, by rivers or by wagon, to them. The Wilmington, Columbia, and Augusta was a naval stores road, and it constructed spurs branching off the main line and extending into the territory producing tar, pitch, turpentine, and lumber. These surface lines, as they were called, were of cheap construction. Cross-ties were cut in the adjacent forests and laid down without grade or ballast. The rails were for the most part second-hand iron which had been discarded on the main line. Some of these branches became permanent in later years; many of them were abandoned when the lumber and naval stores business began to decline. These articles were collected and marketed chiefly through Wilmington. Agricultural products produced on the northern portion were marketed over the Petersburg. They went to Petersburg or to Richmond, where they were consumed, forwarded to other parts of the state, or shipped to home or foreign markets. Besides handling what products the Wilmington and Raleigh turned over to it, the Petersburg received from the Raleigh and Gaston over the Greenville and Roanoke a considerable amount of produce from the interior of North Carolina. Much of this had formerly gone by wagon overland to Lynchburg.¹ This traffic consisted largely of cotton, tobacco, grain, flour, and occasionally some live stock.

To the north the Richmond and Petersburg was taking to Richmond and Manchester from the Petersburg raw material, especially cotton and tobacco. This was either used there or else forwarded to Fredericksburg, Lynchburg, or other places in the state.² Besides supplying the

¹ Report of the Richmond and Petersburg Railroad Company, May 27, 1840.

² Report of General Agent to Board of Directors, Richmond and Petersburg Railroad Company, May 27, 1845.

local markets and manufactories with raw material, the road, through its Port Walthall branch, was bringing the cargo to ships bound for foreign ports. The construction of a branch to the James River was carrying out still further the original idea of the railroad, to supplement the water courses as a means of transportation. From the opening of the branch in February, 1844, to May, 1845, 37 ships were loaded with the produce which came over various railroads.¹ The plan of employing branch lines was furthered by the leasing of the Clover Hill Railroad which ran to the coal mines in Chesterfield County. The carrying of coal was for many years the greatest source of revenue to the Richmond and Petersburg.

Farmers, lumbermen, and the few manufacturers floated their produce down the rivers and deposited it at the intersection of railroad and river, or carried it over dirt roads in wagons to convenient railroad points, whence it was distributed or taken to the most suitable seacoast market and from there trans-shipped to the consumer at home or abroad.

Generally speaking, in the early days the largest revenue came from the handling of local passengers. A period then followed during which the main source of revenue was from through passengers. A few years prior to the Civil War freight began to take an important place and receipts from it amounted to about one half of the entire income. For instance, the income of the Richmond and Petersburg from passenger traffic during its first year of operation was \$41,713, while that from freight was only \$7383.² Again, in 1844 the receipts for the year preceding were \$30,665 from passenger traffic as compared with \$17,205 from freight. Of the income from passenger traffic, \$22,722 was from local as against \$7883 from through, by which was meant that which originated on another road and passed over the

¹ Report of the Richmond and Petersburg Railroad Company, 1839.

² *Ibid.*, 1844.

Richmond and Petersburg or stopped at some point on it. There was not much change in 1852. The report of that year shows receipts from local of \$36,478, and from through passenger traffic \$14,062; from freight, of \$30,000, exclusive of that from coal from the Clover Hill Railroad which amounted to \$25,591. By 1860 the through passenger business brought in \$66,867, the local only \$6000. The freight business had grown until the local amounted to \$49,000, through to \$12,000, and that received from the Clover Hill to \$46,885.

Practically the same was true of the Petersburg. In 1859 its income from freight was greater than that from passengers. The income from freight was \$172,838, as against \$138,857 from passengers. The same was also true of the Wilmington and Raleigh. In 1851 its receipts from through passenger traffic were \$159,509, from local passengers, \$75,350, and from freight, \$93,000. Yet by 1860 the same changes had taken place in its traffic as on the other roads. The income from freight had outstripped that from passengers. While the income from freight was rapidly increasing from 1850 to 1860, its character was also changing. The supply of naval stores in North Carolina was decreasing, and many of those who had been engaged in this were now turning their attention to cotton and wheat raising. The amount of cotton handled by the Wilmington and Raleigh in 1854 was 7088 bales, in 1860, 31,256; the number of bushels of wheat in 1844 was 1196; in 1860, 84,741. Even greater development was noticeable in the traffic of the Petersburg. Its chief articles of freight had always been agricultural products. The amount of cotton handled by the road in 1851 was 12,893 bales. Ten years later it handled 24,652 bales. The amount of tobacco handled had increased from 7959 hogsheads in 1851 to 14,577 in 1860. The number of bushels of grain handled in 1851 was less than 4000; by 1860 it was 329,000.

It is evident that freight was becoming the chief business

of the roads. They had been constructed in a cheap manner because the revenue at the time was not judged sufficient to justify a large investment. By 1840 it was clear that the roads and rolling stock were not heavy enough to take care of the traffic. In a letter to Governor E. B. Dudley of North Carolina, dated June 28, 1840, President Bird bemoaned the fact that the Petersburg was torn up by carrying heavier freight than that for which it was intended, and almost expressed his regret that it was necessary for his road to carry freight at all.¹ Attempts were made by all the companies so to improve their roads as to meet the new demands made upon them. Physical connection was being contemplated so that cars could be run the whole length of the line, obviating the necessity of reloading. The Civil War prevented this.

The whole situation up to the time of the Civil War may then be summed up by saying that the roads, formerly independent units, had been growing more and more dependent on each other. The success or failure of any one of them meant the success or failure of all. Local travel, which had at first been the main source of income, had become least important. Through passenger business had been greatly developed and the railroads were competing successfully in this field with the ocean steamers. The amount of freight handled was increasing faster than the roads could take care of it. Although this freight was in the true sense of the word local, only physical connection was necessary between the various lines in order that cars might run through from Wilmington to New York. The making of these physical connections was prevented by the war.

Certain problems which have since become familiar in railroading made their appearance early in the history of these roads. The first of these was the question of labor to build them and to operate them when once they were built.

¹ This letter is in manuscript among the papers of Governor Dudley filed with the North Carolina Historical Commission at Raleigh.

The various states subscribed liberally to the undertakings, and in return either bonds or stocks of the companies were issued to them. It was soon necessary to determine whether the state as such had power to regulate, or whether its power in the management of the roads was, like that of any other investor, proportional to the amount of the investment. Since all the roads were separate, the question of rates on through passengers and freight had to be settled. The problem of the short and long haul, in exactly the same form as it made its appearance later, soon arose. Last of all, the question of agreements between the roads themselves and competition with other roads, especially the Virginia and Tennessee and the Seaboard and Roanoke, appeared. Competition with steamship lines on the Atlantic had been present from the beginning.

A considerable part of the labor necessary to build the roads was obtained from the farmers who lived in the immediate vicinity. In many cases they did the grading through their own land with their own slaves. Some of them received stock in return for work; some were glad enough to give this much to the company in return for the advantages which they hoped to receive from it. This was particularly true of the Wilmington and Raleigh. The ordinary method of getting the roads graded, however, was to let out sections by contract. The contractors hired slaves from their owners for a specified sum and board and clothing for a year. While some of the roads were being built the price of cotton was low, getting it to market was difficult and expensive, and owners found it more profitable to hire out their slaves to contractors than to use them in raising cotton. Many contractors having secured their tools and organized their labor force, went from one job to another as the roads were completed. For instance, gangs which were employed on the Richmond, Fredericksburg, and Potomac were transferred to the Richmond and Petersburg when the former was completed.

For the rough work of operating and loading trains negroes were hired directly by the railroad company. The contracts or bonds were signed on the first of January. The usual price for the ordinary unskilled laborer was from \$75 to \$100 and his "find"; that of the skilled laborer, such as fireman or brakeman, was often as high as \$250 per year. In the early history of the Wilmington and Raleigh, an engineer made a comfortable fortune by buying unskilled laborers at the prevailing price, training them himself, and letting them to the company, thus receiving a handsome dividend on his investment.¹ For a number of years the system of using hired slaves was employed with success, but as agriculture became more profitable, it was increasingly difficult to secure them and resort was had to hiring white men for the work. This proved unsuccessful as the class of white men secured was less reliable than the slaves. As the price of slave labor advanced the roads began to buy slaves of their own. In 1857 the Wilmington and Weldon owned thirteen, valued at \$15,000, and the Report of 1860 advises the purchase of twenty more for use on trains and at warehouses.

The question of the fairness of a higher proportional charge for a short haul than for a long one soon made its appearance. It arose first in the Roanoke section of North Carolina, when the Wilmington and Weldon charged a higher rate for the haul to Weldon than over the whole line. The farmers of the section complained of the injustice of it, but were met by the argument that frequently the regular through train could not carry all the produce and it was necessary to run a train empty from Wilmington to within a short distance of Weldon, and receive pay for the last thirty miles only. The solution was to make a heavier charge on those who were receiving extra accommodation.

¹ On the authority of Mr. Walker Meares of Wilmington, North Carolina, who was present when President E. B. Dudley turned the first shovel of dirt of the Wilmington and Raleigh.

Complaint arose also along the whole line because a higher proportional rate was charged for freight originating on the direct line than for that received from other roads or from outlying districts. The reply of the road was that it must be supported by those who were compelled to ship over it. If they supported it alone, they must necessarily pay a high freight rate. The carrying of additional freight and passengers attracted from territory which would not have patronized the road otherwise, cost very little more and the income was almost clear gain. This gain could be applied to paying dividends and operating expenses and the local rates thereby reduced. The question was whether or not the regular patrons of the road would support it alone or would receive assistance from shippers and passengers attracted by lower rates.

Competition was with through steamers and other railroads, and applied mainly to passengers. New York was the principal starting-point and Charleston the destination of most of the north and south travel.¹ The Atlantic inland line and the ocean vessels competed for this. Competition arose also with the Virginia and Tennessee and the Portsmouth and Roanoke Railroads.² In order to have any chance at securing part of the through north and south travel it was necessary that there should be at least a semblance of a through route between New York and Charleston. This did not exist before 1840. Upon the completion of the Wilmington and Raleigh what may be considered as a through inland rail and water route came into existence. There was a continuous line of railroad from New York to Washington; a steamboat and a stage line from Washington to the terminus of the Richmond, Fredericksburg, and Potomac; a continuous line to Wilmington barring the breaks at Richmond, Petersburg, and Weldon;

¹ Report of the Wilmington and Raleigh Railroad Company, November 8, 1849.

² *Ibid.*, November 11, 1858.

and a steamboat line run in connection with the Wilmington and Raleigh from Wilmington to Charleston. In order to secure a part of the traffic, two things were necessary. First, this inland route must offer accommodations equal in a measure to those offered by the steamship. This could be accomplished by improving the roads, filling in gaps where no railroad existed, and so arranging a schedule as to involve a minimum of time. Second, through tickets must be sold at a price as low as that of the water line. At least five distinct roads were concerned, and it would have been little less than a miracle if they had been able to reach an agreement satisfactory to all. The great bone of contention was the through ticket and how much each road must sacrifice to enable all of them together to offer a rate which would attract patronage. One road which insisted on having as its share of the through fare its local rate could upset the whole scheme. The arrangement aimed at was to set a rate between New York and Charleston which would meet that of the packet lines, and prorate the amount to each road according to mileage. This agreement prevailed for the most part, but not without friction. Whenever any particular road found itself in a position to throw the burden of advertising and incidental expenses on the others, it invariably did so.

In spite of the difficulties which arose and the temporary abandonment of the through ticket from time to time, an effort was made to meet the ocean competition. It is stated in the Report of the Wilmington and Raleigh for the year 1842 that a friendly understanding had been reached by the several companies of the Atlantic route from New York to New Orleans and that a through ticket had been agreed on at a rate of fare which would induce travelers to take this route instead of the ocean packet lines. The fare over the Wilmington and Raleigh in 1841 was \$20, but this was not sufficiently low and an arrangement was effected whereby the fare should be gradually lowered until it was reduced to

\$12 in 1845. This diverted a great deal of the ocean travel. The number of through passengers carried in 1845 by the Wilmington and Raleigh was 60 per cent greater than in 1841.¹ This was only temporary, and it was soon necessary for the roads to make another reduction.² These constant reductions in fare became burdensome. Complaint arose against the Baltimore and Ohio because it would bear none of the expense incident to securing the through travel from which it received as much benefit as the Virginia and North Carolina roads. During the fifties this was constantly called to the attention of the Virginia legislature. It was asked to keep the behavior of the Baltimore and Ohio in mind when that road applied for concessions for its line in the western part of the state.

Water competition was very hard to meet. Various expedients were suggested by the roads to improve the situation. Each time the improvement suggested was to be made by some road other than the one making the suggestion. Officers of the Petersburg believed that the solution was in building roads south so as to obviate the necessity of the water journey from Wilmington to Charleston.³ The Wilmington and Raleigh was disgusted with the action of the roads to the north and believed that if the Atlantic line retained a fair share of the travel, every facility ought to be offered by which a speedy transit and an unbroken connection should be secured for the passengers. The quarrel between the roads to the north over the through ticket drove the Wilmington and Raleigh to the point of separation, and it threatened to wash its hands of the whole matter by getting access to the ocean either by building a road of its own from Weldon to the sea or by securing a part interest in the Seaboard and Roanoke. This would give

¹ Reports of Examining and Accounts Committee of the Wilmington and Raleigh Railroad Company, November 5, 1845, North Carolina State Library.

² Report of the Petersburg Railroad Company, 1848.

³ *Ibid.*, 1847.

the Wilmington and Raleigh access to Norfolk, from which place its passengers could again resume travel by boat and reach their northern destination. The threat was not carried out.

It can easily be seen that the Atlantic line, with its numerous roads and its contentions, was in a poor position to meet water competition. Travelers bound for Baltimore upon arriving at Weldon had their choice of going over the Atlantic line or over the Portsmouth and Roanoke to Norfolk and then by boat. The following advertisement, appearing in the *Charleston Courier* of December 17, 1839, sets forth the advantage of the land route:

Travelers going north by the Wilmington and Raleigh Railroad and Steamboat Line will find the route through Petersburg, Richmond, Washington, and Baltimore as expeditious, cheap, and pleasant as any other. The companies on this route carry the Great Mail and have a connecting line throughout. The Railroads are in good order, the engines new and of the most approved construction, the cars are eight wheeled, with private apartments for ladies, and there is a new and splendid steamboat on the Potomac. No expense has been spared to make this route the most perfect in the country.

Travelers wishing to take this route are informed that after reaching Weldon, the termination of the Wilmington line, they continue on in the Wilmington cars $1\frac{1}{4}$ miles further to Garysburg, where they breakfast, and take the cars of the Petersburg Railroad Company. Here they pay through to Baltimore and receive tickets for their baggage which relieve them of all trouble and expense on that score. They dine in Petersburg, sup in Fredericksburg, sleep on board the Potomac steamboat, breakfast the next morning in Baltimore, whence they can immediately proceed to Philadelphia and New York the same day.

Distances by this route:

Petersburg Railroad	60 miles
Richmond and Petersburg Railroad	22 miles
Richmond, Fredericksburg, and Potomac	61 miles
Stages to Potomac Creek	9 miles
Potomac Steamboat	50 miles
Baltimore and Washington Railroad	49 miles

Fare through from Garysburg to Baltimore, \$12.50. This includes all expenses except meals.

Offices of Petersburg Railroad Company, August 17, 1839.

In the same issue in which the advertisement quoted appeared, the following card was inserted, signed by eleven passengers who were traveling over this route to the South:

We, the undersigned passengers on the Railroad Line from Baltimore to Charleston, hereby state for the information of the public, and as a caution to Travelers, that we with about thirty others left Washington City in the evening of the 12th instant on the steamer Augusta, having had positive assurance from the agent of the above line at Baltimore and Washington that we should arrive at Fredericksburg in time for the Richmond cars, and that we should meet with no delays whatever on the whole route.

On reaching Fredericksburg we ascertained that the Richmond cars had been gone but ten minutes and that the conductor was aware of our coming and our expectations to proceed on our journey without delay! Thus, more than forty passengers, men, women and children, were left in the streets of Fredericksburg at two o'clock in the morning, dependent upon the charity of the citizens for shelter and for providing a secure deposit for their baggage! We were conveyed the next day to Richmond in a train of freight cars with all the inconvenience and discomforts incident to such a mode of conveyance. At Richmond we had arrived within fifty yards of the depot for the Petersburg train when the cars again left us, causing another unavoidable and disagreeable delay.

We have deemed it our duty to make the above statement of facts in order that the same wanton deceptions and impositions may not be practiced upon other travelers. We take pleasure in stating that the conduct of the agents and conductors on the remainder of the route to Charleston has been such as to meet with our cordial approbation.¹

However poor the accommodations may have been on these roads, their competitor, the Portsmouth and Roanoke, had no better to offer and the traveler had to choose

¹ *Charleston Courier*, December 17, 1839.

between the two. Intense rivalry had existed from the very beginning. The state had subscribed two fifths of the capital of the Petersburg when it was incorporated in 1830.¹ When the Portsmouth and Roanoke applied for a charter in 1832, the Petersburg did everything in its power to defeat the bill. The Petersburg objected that the state, if it subscribed to the stock of the Portsmouth and Roanoke, would be aiding a competitor of a road in which it was already interested. This was true and was afterward a source of great annoyance to the state. The Portsmouth and Roanoke was chartered and built nevertheless. Upon its completion keen competition broke out. Each road was struggling desperately to secure a monopoly of the Roanoke trade and travel between Weldon and Baltimore.

The Board of Public Works in its Report to the legislature of Virginia in 1843 took a philosophical view of the contest, remarking that "all the revenue which has heretofore been derived from those sources of profit are not more than sufficient for the legitimate and proper wants and purposes of either one of the companies. Such a state of things ought not, however, to excite great surprise or to visit unlimited censure upon the parties. The great error must be attributed to the policy which sanctioned the establishment of two improvements of such magnitude to contend at the same points for trade which has proven itself so far to be inadequate to the purposes of both." It then calmly predicts the failure of the Portsmouth and Roanoke.

It was evident from the beginning that the road could not succeed. President Bird of the Petersburg Company wrote to Governor Dudley of North Carolina in 1840 that he was morally certain that the Portsmouth and Roanoke could not sustain itself and that poverty was written on it from one end to the other. Acting on this assumption, the Petersburg would not make the Portsmouth and Roanoke

¹ See chapter III.

a proposition that it could afford to accept for half interest in the bridge over the Roanoke River at Weldon, thinking that it was only a question of months till the other road would have to accept any terms it would offer. The Portsmouth and Roanoke held out longer than was expected, continuing to run its trains till the summer of 1845. Having failed to secure the bridge, the Petersburg built one of its own and ran its cars into Weldon in 1843. The Portsmouth and Roanoke was heavily mortgaged. The mortgage by some oversight was not recorded in the North Carolina records, and through this technical error Mr. F. E. Rives of North Carolina secured possession of the bridge and the seventeen miles of line lying in North Carolina. He then attempted to operate this as a separate railroad by borrowing an engine and cars from the Petersburg and by constructing a temporary track from the Petersburg to the Portsmouth and Roanoke. Having done this, he tore up some two miles of the line so that the Portsmouth and Roanoke could not run its trains over his road. The president of the Portsmouth and Roanoke appeared with a body of friends, repaired the track, overturned the Petersburg engine and cars, and continued to run trains. Rives was arraigned and fined \$25 in the Superior Court of Law and Equity in Northampton County, North Carolina.

In 1845 the Portsmouth and Roanoke ceased to run its trains. This was an opportunity for the Petersburg. It no longer needed the Weldon bridge, having built one of its own. Yet in order to prevent any reorganized company from using it, the Petersburg made a brutally frank contract with Rives, according to the terms of which the company was to pay him \$60,000 in specified installments "provided the railroad and bridge remain unused for transportation of persons and produce." The Board of Public Works opposed the contract with Rives, but it was carried out and was "productive of great benefits both to the Petersburg and the Richmond, Fredericksburg, and Po-

tomac.”¹ The fact that such a contract could be made in the state was a sad commentary on its power or willingness to regulate its railroads. After the Portsmouth and Roanoke had been discontinued for a year, an act was passed by the legislature in February, 1846, requiring the Board of Public Works to regulate the rates of the roads and to prevent the combination of the inland roads against the Portsmouth and Roanoke.² The act authorized the reorganization of the road as the Seaboard and Roanoke.

The Petersburg was not altogether a fair competitor, nor did it prove to be a fairer ally for the Richmond and Petersburg and the Richmond, Fredericksburg, and Potomac. Upon the completion of the Richmond and Petersburg, and before the failure of the Portsmouth and Roanoke, a through ticket between Weldon and Washington had been agreed upon by the inland roads to combat the so-called Portsmouth and Roanoke and Bay Line. The agreement, suggested by the Petersburg and agreed to by the others, provided that the Potomac Stage and Steamboat Company should receive \$2.25; the Richmond, Fredericksburg, and Potomac, \$3.37½; the Richmond and Petersburg, \$1.25; the Petersburg to Garysburg, \$3.12½; the Portsmouth and Roanoke charged \$.50 from Garysburg to Weldon, 1½ miles, making a total of \$10.50.

During the bridge controversy between the two roads entering Weldon, the Portsmouth and Roanoke refused to carry passengers coming south from Garysburg to Weldon. The Petersburg then put on a boat line and omnibuses to take passengers into Weldon, for which a fifty-cent charge was made. While these improvements were going on at the south, the Richmond, Fredericksburg, and Potomac was completing its line to Acquia Creek on the Potomac. It gave notice to the other roads of a rearrangement of the

¹ Report of President Bird of the Petersburg Railroad Company to the Board of Public Works of Virginia, November 1, 1845.

² Acts of the General Assembly of Virginia, 1845-46.

through ticket.¹ The question having arisen, a committee of one director from each company was appointed to reach some agreement. This committee met on December 13, 1842, and adopted the following:²

The Potomac Boat Line.....	\$2.00
The Richmond, Fredericksburg, and Potomac.	\$4.00
The Richmond and Petersburg.....	\$1.37
The Petersburg.....	\$3.12
Total fare.....	\$10.50

It was further agreed that if the fare was either raised or lowered the amount should be divided in the same ratio.

Against this ticket the Petersburg Company justly complained. It had made improvements to accommodate the travel at a cost of nearly \$60,000. Its share of the fare had not only not been increased, but the fifty cents which it formerly received for carrying passengers from Garysburg to Weldon had been taken away. This was manifestly unjust. The road accepted the ticket according to a letter of the president dated July 7, 1844, as better than no ticket at all, with the intention of insisting on a fairer division as soon as it lay in its power to do so. About the same time the board of directors of the Petersburg adopted a resolution notifying the Richmond, Fredericksburg, and Potomac and the Richmond and Petersburg that it would not issue through tickets after August 15, 1844, unless the rate of travel per mile should be equal on all the roads, the rate per mile on the Potomac River should be equal to one half that amount, and the expense of advertising and agencies should be borne by the companies in proportion to the interest they had in keeping up the same.

In October it was agreed by all the companies to submit the whole matter to the Board of Public Works for arbitra-

¹ Report of the Petersburg Railroad Company, 1846.

² Proceedings of an adjourned meeting of the stockholders of the Richmond, Fredericksburg, and Potomac Railroad Company, held in Richmond, July 21, 1846.

tion. The board was slow in acting, and before the question was decided the Portsmouth and Roanoke ceased to run its trains. This put the Petersburg in a position to dictate rather than be dictated to. In April of the next year, 1845, the Petersburg requested that the reference to the board be withdrawn. The board gave its assent, provided it was concurred in by the other roads. They did not agree to this, whereupon the Petersburg notified the others that since the Portsmouth and Roanoke had ceased to run its trains there was nothing to arbitrate, and that it would sell through tickets only on condition that its share of the ticket should be its local fare from Weldon to Petersburg. No settlement of the question was effected.

The Petersburg then opened up another route by means of its own road, the City Point Railroad, and the James River and Bay boats. Through tickets were sold over this line and extensive advertising was done to secure patronage. To meet this situation the Richmond and Petersburg and the Richmond, Fredericksburg, and Potomac put on a line of boats from Port Walthall to Norfolk. Free passes were used extensively on each of these new competing lines. This question, together with that of the actions of the companies in establishing the lines, came before the Board of Public Works. The board realized the "judiciousness" of it, but "advised" that these routes be discontinued. The attitude of the roads on the question of passes was that if law was not violated in giving free passes in return for past benefits, it could not be violated by giving passes in return for future benefits. The impotence of the board as representative of the state to settle a contest which was so evidently a matter for state intervention shows how little authority the state had in regulating its railroads.

The question of the through ticket was in constant controversy up to the Civil War. The Petersburg could enforce its demands so long as it did not have competition. On this point, however, it had miscalculated. The Portsmouth and

Roanoke was reorganized as the Seaboard and Roanoke and began to run its trains again in November, 1851. This gave the Richmond and Petersburg rather than the Petersburg the commanding position, and the former road now proceeded to demand a lion's share of the through ticket. The Wilmington and Weldon in its Report of 1858 complains that it was suffering because the Richmond and Petersburg had refused to be a partner to through tickets. The Port Walthall line of boats was taken off and at the same time passenger trains on the Port Walthall Branch were discontinued. A conference of all the companies interested in through ticket problems between New York and Charleston, for reapportioning rates of fare and arranging for through checks for baggage, was held and the matter was finally settled.¹

¹ Report of the Richmond and Petersburg Railroad Company, 1858.

CHAPTER VII

GROWTH FROM THE CIVIL WAR TO 1902

ALL of the roads stretching along the South Atlantic Coast were in a similar condition during the Civil War. A period of increased receipts due to the carrying of soldiers and munitions of war for the Confederate government was followed by a period of deterioration due to hard use and lack of material for repairs. Toward the end of the struggle they fell into the hands of the Federal forces, were used during a few months for military purposes, and were eventually turned back to their owners, largely dismantled. The first tasks undertaken on the return of peace were the rehabilitation of the roads and the forming of physical connections between the various units. This was especially necessary in the case of the small systems of roads in South Carolina, Georgia, and Florida which had been constructed just prior to 1860 and whose growth had been arrested by the outbreak of hostilities. The physical connections at the north and the improvements in the south materially changed the nature of the commodities handled and truck-growing became one of the chief sources of income.

I

THE ATLANTIC COAST LINE OF VIRGINIA GROUP

The Richmond and Petersburg Railroad

The Richmond and Petersburg furnishes a good example of how traffic was increased. It was the main line over which travel and freight reached the capital of the Confederacy and over which soldiers were transported to and from Richmond. Its receipts were largely in depreciated

Confederate money which finally became worthless.¹ A contract was entered into for the transportation of the Confederate States' mail once daily, at an annual compensation of \$3675. Throughout the period of the war the cars were in constant use, very little time was allowed for repairs, and the number of troops and amount of munitions of war taxed the road to the utmost.² Through traffic arrangements at Richmond were discontinued by the occupation of the Petersburg Railroad by the Federal forces early in 1864, and omnibuses were laid up, and horses sold.³

When the Confederate army abandoned Richmond on April 3, 1865, it burned the long bridge over the James River and the depot at Richmond. The treasurer of the railroad company was wounded in an attempt to secure the books and records, all of which were consequently burned with the depot and workshops, though the sheds and most of the rolling stock were saved.⁴ The purely physical loss was estimated at \$254,318, nearly a third of the capitalization of the road.⁵ E. H. Gill, superintendent and engineer, gives a graphic account of the events in April: ⁶

On Sunday evening the second of April last, a Colonel of the Confederate army called at my office and directed that trains for transportation of 3000 troops for Petersburg should be kept in readiness during the night. I gave the necessary instructions and the trains were prepared, but as troops did not arrive and as it was reported that Richmond would be evacuated, the trains were sent to Manchester as a place of safety early on the following

¹ See Appendix, Table VI.

² Report of the Richmond and Petersburg Railroad Company, May 27, 1862.

³ Report of President Ellis, November 29, 1864. (Secured by chance after the fire.)

⁴ Report of President Ellis at called meeting, July 28, 1865.

⁵ Report of the Richmond and Petersburg Railroad Company, 1872, p. 60.

⁶ Report of Superintendent E. H. Gill, October 21, 1865.

morning. Shortly after, a detachment of the retreating army left behind for that purpose, as the Lieutenant of Engineers in command informed me, set fire to the James River bridge and all access to trains was cut off. The conductors, engineers and agents having charge of them had to seek places of safety, and while the cars were thus temporarily deserted in Manchester, they were robbed of their furniture, head linings, windows and window blinds, and left mere wrecks or shells. Thus it will be seen that upon resuming operations we were nearly destitute of everything but a railroad track, the iron and ties of which were pretty well worn, a few small engines, a few coaches destitute of seats and windows, a few box cars and about forty coal cars; but the zeal and energy of our officers, agents and employees had not deserted them, and though it was not in our power to furnish the traveling public with our usual accommodations, we did furnish them with transportation by two daily trains between Manchester and Petersburg.

President Ellis adds: ¹

From the third of April to the third of July the United States Military Railway Corps had charge of the road for government purposes, collecting the receipts to pay expenses. So soon as it was returned to the management of the Company's officers, every effort was made by them to put it in condition to do all the service required. The company had during the war purchased of the Confederate military authorities three captured locomotives; they have since been restored to the original owners.

The Port Walthall Branch was disused after the evacuation of Norfolk in 1864. Most of the track had been removed to maintain the main line because of the difficulty of procuring iron and the branch was never rebuilt.

Temporary workshops were established on the south side of the James River at Richmond. The bridge was immediately built at a cost of \$118,245 and opened on May 25, 1866. The new bridge was 2862 feet long between abutments, divided into nineteen spans, and the track was sixty feet above low water in the river.² The earnings for this year

¹ Report of the Richmond and Petersburg Railroad Company, July 28, 1865.

² *Ibid.*, November 27, 1866.

were also materially reduced because of the bad condition of the road, the failure of crops in Virginia, and the prevalence for several months during the year of cholera in Richmond. The people possessed neither the means nor the desire to travel, and years of toil were needed to restore to fullness the empty warehouses, granaries, and cotton presses. To quote Superintendent Gill again:¹ "It is idle to suppose that by low and unremunerative rates or charges or by ruinous rates of speed we can draw passengers to roads when they do not possess means at this time to travel, or to obtain freight when it does not exist."

In order to tide the road over its difficulties, the legislature passed an act allowing the company to mortgage its entire property to the amount of \$175,000.² The state again showed its liberality by making these bonds exempt from state and municipal taxes. Nevertheless, the road was hard-pressed and something had to be done to save it from bankruptcy. The solution seemed to be in making physical connection with the other roads entering Richmond and Petersburg. This was done in 1867.

For a few months beginning with June 1, 1873, the road was run with the Petersburg under one management, and was known as the Petersburg and Weldon Railroad. All officers and employees, except road and section hands, performed duties for and were paid by the two companies, one third by the Richmond and Petersburg and two thirds by the Petersburg. In 1885 a coöperative arrangement was made with the Petersburg whereby the workshops of the Richmond and Petersburg were devoted to repairs of machinery for both companies, and those of the Petersburg to repairs of the cars of both. By this time cut-throat competition had ceased to be practiced to any great extent.

¹ Report of the Richmond and Petersburg Railroad Company, November 27, 1866.

² Acts of General Assembly of Virginia, 1865-66, ch. 218, p. 336.

The Petersburg Railroad

The history of the Petersburg during the war was much the same as that of the Richmond and Petersburg. Constant use, excessive loading of cars, abuse of rolling stock by Confederate troops, and lack of time, material, and men for repair played a far more important part in its undoing than the destruction wrought by the enemy. The successful blockade of southern ports cut off supplies with which to repair the road. This, combined with a number of attacks near the end of hostilities, made use of the road almost impossible. With the main line of communication between the southern and northern parts of the Confederacy cut, the end soon came.

Taking into consideration the income and expense only, there never was a more prosperous period for the railroads than the first two years of the war. The equipment was in such good condition that it was possible to run with little attention to upkeep. The Petersburg Company had on hand a large supply of material which it had bought just before the outbreak of hostilities. The ordinary channels which had supplied the business of the road were utterly deranged by the war. Receipts from leading articles showed a great falling off, but other business developed by the war gave rise to new sources of income.

It was predicted by the officials at the beginning of the war that the receipts both from travel and from trade would be reduced because of the "uncertain prospect of public affairs."¹ This prophecy was not fulfilled. The receipts from passenger traffic in 1861 amounted to \$113,470, from freight \$141,402, from troops and horses for the government \$96,880, from mails \$13,083, from express \$9689, making a total of \$374,526. This was \$45,000 more than had ever been received by the road from all sources.²

¹ Report of the Petersburg Railroad Company, March 1, 1861.

² *Ibid.*, February 20, 1862.

The large increase in gross receipts is no indication of the extent of the increase in the amount of business done, for the rates granted to the Confederate government and to the various state governments were greatly reduced. The sudden increase in business taxed the road to its capacity.

Dissatisfaction having arisen among the railroads as to freight and passenger rates, a convention of all southern railroads was held in Chattanooga on October 4, 1861, and the following uniform rate schedule was adopted: freight, first class, ammunition, \$.45 per 100 pounds per 100 miles; second class, all freight shipped for government except live stock, \$.20 per 100 pounds per 100 miles; third class, live stock, \$20 per car load per 100 miles; fourth class, hay and bran, \$15 per car load per 100 miles; troops, two cents per mile; mail, \$150 per mile per year. It was agreed by the Confederate government that in charging according to the above schedule the fractional part of 100 miles should be considered as 100; by the railroad companies that they would receive in payment for their services treasury notes or bonds of the government.¹

This agreement was carried out until July, 1862, when all rates were raised 25 per cent. The increase of rates, together with the fact that Confederate currency was depreciating, increased the gross receipts of the road enormously. The income for 1862 was \$846,531 as against \$374,526 for 1861, the largest income of the road up to that time. The expenses for 1862 were \$234,746, thus giving the unprecedentedly low operating ratio of $27\frac{1}{4}$ per cent.² It would have been far better for the road if its expenses had been greater and it would have gladly increased them had it been possible to buy material for improvement. By the spring of 1862 the surplus material on hand in 1860 had been used and the road was beginning to feel the pinch of the blockade. As the blockade tight-

¹ Report of the Petersburg Railroad Company, February 20, 1862.

² *Ibid.*, for 1863.

ened, it became more and more difficult to get the needed supplies. The condition of the road grew constantly worse, but the real cause of the difficulty was not admitted. It was complained that the officers of the government were taking cars off the main line and retaining them rather than sending them back immediately. The equipment, both rolling stock and track, was now rapidly deteriorating. The greatest need was for iron to relay the track which was worn out by constant use and heavy loads. The government was using practically all the iron in the manufacture of munitions and left little for the repair of the roads.

The misfortune of the Seaboard and Roanoke was again the good fortune of the Petersburg. When Norfolk was evacuated the former had no further use for its rolling stock and was glad to rent it to the Petersburg. This was done and for a time relieved the necessity of the Petersburg. With all that could be done, however, it was almost impossible to handle the traffic. To lengthen the life of the rails, which it was impossible to replace, the speed of all trains was cut down. In many cases troops were hauled on open flat cars, on platforms of passenger cars, and even on top of box cars.¹ Wounded soldiers were carried frequently on box cars, and temporary windows were made by knocking out the upright boards which supported the top. As a result of this the whole upper part of the car was soon gone, for no time could be given to repair the damage.

In 1864 the condition became desperate. Rates were increased, but an increase in rates meant little when the receipts were in Confederate money. Receipts for 1863 were over \$1,000,000, for 1865 nearly \$2,000,000. Toward the close of the war rolling stock became so scarce that the cars were in constant use, and no time was given to clean them, to say nothing of making repairs. Passenger cars were taken off the Petersburg and used on other roads; when finally returned the seats were frequently broken,

¹ Report of the Petersburg Railroad Company, for 1863.

and cushions, stoves, lamps, dippers, water-coolers were all carried off by the soldiers for private use. It was stated by an officer of the company that more harm was done a car on one of these trips than came from a whole year's use before the war.¹ In order to accommodate the great crowds of soldiers the ordinary water-coolers in use earlier in the history of the road were replaced by large casks. Soldiers would not take time to use the casks, but dipped their canteens into the top, and as a result the water soon became too dirty to use. Passengers then emptied the water, inverted the casks for seats, and the servants were not allowed to refill them during the remainder of the trip. The condition became so serious that attempts were made to run the blockade with cotton to be exchanged for much-needed supplies. A few of these attempts were successful and some supplies came in, but not enough to be of any great benefit.

Up to the summer of 1864 the Confederate army was able to protect its north and south line of communication from the attack of the enemy. The difficulties which the road met came from sheer inability to repair the deterioration caused by excessively heavy traffic and abuse at the hands of its friends. In May of this year the Confederates were no longer able to ward off attacks; and on the 6th of the month the Federal forces reached the line at Stony Creek, burned the bridges, cars, and buildings and tore up a mile and a half of track. This damage was repaired as soon as possible and trains resumed their regular trips on May 19. Another attack was made on June 21. The cavalry divided into parties and tore up the track at a number of points. At the same time the infantry tore up about four miles. Repairs were again made and trains ran as usual till August 17 when the enemy got possession of the whole northern end of the line. Again in December attacks were made farther south, and thirty-two miles,

¹ Report of the Petersburg Railroad Company, January, 1864.

more than half of the road, were entirely destroyed. Trains continued to run on that part of the road just north of Weldon for the benefit of the Confederate government. When Petersburg was evacuated in April, 1865, all the rolling stock was carried to the south side of the Roanoke River; and when it seemed that the bridge at Weldon and the rolling stock collected there would be burned, the cars and engines were all floated across to the north side of the Roanoke at Gaston. The collapse was complete.

In June after Lee's surrender the road was turned over to the company by the Federal government and the tremendous task of reconstructing it was begun.¹ The company as such had no credit and the only way it could secure funds was on the individual security of its various stockholders. The Adams and Southern Express Companies loaned \$70,000 which the road was to repay within four years by hauling packages and freight for them at a reasonable rate. Squads of workmen were put on the road at both ends in July, and by the middle of August it was possible for trains to pass over the whole length of the line. Yet it was in a very poor condition owing to the fact that it was impossible to make old rails which had been straightened lie so as to form a level track. The repairing of the track was only one of the difficulties which had to be met. The financial situation was even more serious and never improved until the road underwent a reorganization.

II

THE WILMINGTON AND WELDON RAILROAD

The spirit with which the Wilmington and Weldon officials entered into the war is set forth by President Ashe in his Report of November 14, 1861. He has the "gratification of feeling just and patriotic pride that the company has been able to render to our beloved country inappreci-

¹ Report of the Petersburg Railroad Company, January 1, 1866.

able assistance in repelling from our soil ruthless invaders." This was much the same feeling that all railroad officials had at the beginning of the conflict, while their roads had supplies and while the increased incomes were paid in a currency which had not yet depreciated. During the first year of the war there was a great increase in through travel over the line due to transportation of soldiers. This branch of the traffic was much heavier than the reports indicate, for owing to the lack of system in the Quartermaster's Department of the state many troops were carried for whom no pay was received.¹

When once the pinch of the blockade began to be felt, there was constant friction between the Confederate military authorities and the road because the former insisted on breaking up the regular schedule of trains and running them to suit their own convenience. This was no doubt necessary, but was a constant source of complaint on the part of the Wilmington and Weldon. Just before the fall of Fort Hatteras, at the request of the Committee of Safety of Wilmington, Fremont was appointed Chief of Corps of State Artillery and Engineers. The general commanding in the state assigned him to duty as the Chief Engineer of Coast Defenses in the southern part of the state. One of his duties was the superintending of the Wilmington and Weldon Railroad. Although appointed by the Confederate government, he complained that his work was interfered with by the military authorities, and that if the officers commanding troops could for a moment appreciate the responsibility they assumed and the risk they took of crippling the operations of the government, as well as the extreme danger to life incurred by interfering with the regular running of trains, they would certainly leave that duty to the officers of the companies to whom it properly belonged.

Throughout the whole four years there was little

¹ Report of Engineer and Superintendent Fremont, 1861, included in Report of Wilmington and Weldon Railroad Company, Nov. 14, 1861.

harmony between the road and the army officials. In a letter dated February 16, 1863, from Goldsboro, Major General S. G. French wrote Governor Vance that there were a number of idle cars both loaded and empty there, and if this system or what he termed lack of system continued, it would be a difficult matter to concentrate troops if that should become necessary.¹ The following telegram from General Lee to Governor Vance dated December 28, 1864, shows the same dissatisfaction.²

I beg leave to call the attention of your Excellency to the great danger we incur from the condition and management of our railroads, with the hope that you may be able to remove some of the difficulties under which we labor.

Examples of delays causing great danger to troops, separation of brigades, transfer of troops from one road to another even when of same gauge are given:

I trust your Excellency will endeavor to ascertain what can be done to facilitate transportation by rail and give all the assistance in your power. The delay is not only dangerous and injurious but has given rise to painful suspicions which in justice to those connected with the management of the roads should be removed.

As in the case of the other roads in the Atlantic north and south line, the Wilmington and Weldon soon began to feel the need for iron. The blockade runners at Wilmington, the most successful along the coast, brought in a considerable amount, but the government claimed the specified tonnage of each vessel and appropriated that brought in to its own use in making munitions.³ Another complaint of the road against the government was that it had not received a single car or engine from those captured, though the neighboring roads had.⁴ Nevertheless,

¹ Letter in Vance Letter File, North Carolina Historical Commission.

² Copy of telegram in Vance Letter File, North Carolina Historical Commission.

³ Report of Wilmington and Weldon Railroad Company, November 18, 1863.

⁴ *Ibid.*, December 14, 1862.

it is difficult to suppose that the government would allow its main artery of communication to suffer any more than was unavoidable. The road was furnished iron which was taken up from other lines. The old rails were turned over to the government as they were worn out in exchange for rails taken up from the North Carolina Railroad and the Atlantic and North Carolina Railroad.¹ The Wilmington, Charlotte, and Rutherford was entirely dismantled in spite of the fact that the main food supply of Wilmington came over this road.² When the Wilmington and Weldon learned of the possibility, it immediately applied to Governor Vance asking for some of the rails. While there is no record of the request having been complied with, it is reasonable to suppose that the most important line in the state received its share.

The Report of December 14, 1862, congratulated the company that its road so far had been free from the incursions of the enemy. This cause for congratulation was removed two days later when the enemy attacked the road, burned the bridge over the Neuse River, the trestlework at Goshen, the water station and a number of cars at Dudley's Station.³ Up to the fall of 1863, it was estimated that the loss sustained had been about \$100,000. From this time on for the remainder of hostilities, the road was the prey of both friend and enemy. The enormous income for two years enabled the company to declare three dividends during 1863 amounting in all to 31 per cent. It was specifically stated that this, owing to the depreciated state of the currency, was really no better than in former years. The dividends would have been even greater but

¹ Letter of Fremont, December 26, 1863, to Colonel George Little, aide-de-camp, Raleigh, Vance Letter File, North Carolina Historical Commission.

² Letter of Mayor of Wilmington to President of Wilmington, Columbia, and Augusta Railroad Company, Vance Letter File, North Carolina Historical Commission.

³ Report of Wilmington and Weldon Railroad Company, November 18, 1863.

for \$86,486 in taxes levied by the Confederate government. The levy was claimed by the company to be illegal according to the terms of the charter, and the president was directed not to pay taxes thereafter either to the Confederate government or to the state of North Carolina.¹

By the summer of 1864 the condition of the road was alarming. Its rails were wearing out and no material for repair could be secured. The rolling stock was taxed severely and it was impossible to get labor except of an inferior class. The continued depreciation in the currency increased the cost of living enormously, while the salaries of the officials and wages of employees had not been raised in proportion. To ease the situation the salary of the president was placed at \$8000 and that of the treasurer at \$6000 in the fall of this year. The stockholders ordered an increase in wages aggregating \$26,496, but this was insignificant when the rise in prices is taken into consideration. In April, 1861, machinists were receiving \$2.50 per day and were paying from \$18 to \$20 per month for board. Flour sold at Wilmington at \$6 a barrel, meat at 10 to 12 cents a pound. The company was paying \$1 a gallon for oil and 4 cents a pound for its iron and nails. In April, 1864, the same machinists received from \$12 to \$20 per day and paid from \$300 to \$360 a month for board. Flour was selling for \$350 a barrel, meat at from \$5 to \$6 a pound. A suit of clothes could not be bought for less than \$1000 or \$1500. Oil was costing the company \$50 a gallon, iron from \$2 to \$3 a pound, nails \$4 a pound. Rents in Wilmington which had been \$400 to \$500 per year in 1861 were \$8000 to \$10,000, in 1864. The depreciation became so great that it was impossible to tell from the books anything whatever about the financial condition of the company. When the end of the war finally came, an entirely

¹ Report of Wilmington and Weldon Railroad Company, November 23, 1864.

new set was opened up without reference to the old. Under such circumstances it was but natural that the road should ask the government for an increase in rates for the business done. The request was granted and the rate for soldiers was raised to five cents per mile in May, 1864.¹

It was evident that it was only a question of time till the road would have to cease operation. The fall of Petersburg and the occupation of the Petersburg Railroad by the Federal forces made that part of the Wilmington and Weldon north of Goldsboro practically useless as nothing passing over it could be delivered to points north now held by Federal troops. All trains to Weldon except one mixed train for both passengers and freight were taken off. Events during the latter part of 1864 and the beginning of 1865 moved in rapid succession and the road was damaged alternately by the Federal and the Confederate armies. Wilmington fell on February 22, 1865, and Goldsboro a month later, and operation of the road ceased altogether. General Bragg in withdrawing from Wilmington destroyed the bridges between Wilmington and Goldsboro in order to cover his retreat. The section of the road south of Goldsboro fell into the hands of the Federals under General Terry on March 19. Temporary bridges were built by the Railroad Construction Corps of the United States Army, and the road was operated by the Federal authorities until it was turned over to the company after the cessation of hostilities.²

The division north of Goldsboro suffered even worse. The Confederates practically dismantled it, burning bridges over Fishing Creek, Quanky, and on the Tarboro Branch, three locomotives and twenty cars, warehouses at Dudley's and at Goldsboro. Not only was the road destroyed, but the company found itself in possession of

¹ Report of Wilmington and Weldon Railroad Company, November 23, 1864.

² *Ibid.*, November 22, 1865.

\$1,500,000 of worthless Confederate securities purchased early in the war. When peace came the company found much of its track destroyed, nearly all of its bridges and warehouses burned. It resumed operations on August 27, 1865, with only four locomotives, eleven box cars, five platform cars, and no passenger cars fit for service. Besides this it was confronted with an entirely new labor situation. The negroes whom it had employed heretofore were not now available and the white labor employed did not give more than three fourths the service which the slaves had formerly given. Altogether the company was confronted by what seemed to be insuperable difficulties.

One of the first tasks which the roads undertook after the war was the forming of physical connections. From the beginning it had been necessary to haul freight and passengers from the stations of the Richmond and Petersburg to those of other roads, thus causing much additional expense in the handling of freight and inconvenience to travelers. It was evident that these connections must be made in order to secure the patronage of the public. There were two ways of reaching northern points from the South Atlantic seaboard; one by water, the other by a series of short railroad journeys as far north as Fredericksburg, thence by stage and boat to Washington.

Physical Connections

For success on any large scale a railroad must be able to switch freight from one road to another without unloading, and to carry passengers without the inconvenience of frequent change of cars.

With this object in view, two companies were chartered at the 1865-66 session of the Virginia legislature: the Richmond and Petersburg Connection Company; and the Richmond and Petersburg, and Richmond, Fredericksburg, and Potomac Connection Company.¹ Only under the

¹ Acts of Virginia, 1865-66, ch. 206, p. 328.

charter of the latter of these was any work actually done. This company was given permission to build a short line of road connecting the Richmond and Petersburg with the Richmond, Fredericksburg, and Potomac Railroad. The capital was \$200,000, and this might be purchased by either of the railroad companies at a fair valuation, not before the expiration of ten years nor after twenty. Rates were fixed above which this short connecting road was not allowed to charge. These were, for passengers over the line, not more than fifty cents per man, and for freight, five cents per hundred pounds per mile. The line was built and leased jointly by the two railroad companies,¹ according to contracts signed on August 1, 1866, and April 1, 1867.² The road was opened in May, 1867. The two railroad companies guaranteed to the stockholders of the connection company an annual rental until they or either of them should purchase the right, title, estate, and franchise of the connection company. By resolution of the railroad companies, it was agreed that during the lease freight and passenger rates were to be prescribed by them, and that no other road should be allowed to make a junction with the connecting line without their consent.³ The other company chartered at the same time was not organized. Application was made by the Richmond and Petersburg in August, 1866, to the common council of the town of Petersburg for aid in getting up a similar company, but no answer was ever received from this body.⁴

Permission had been granted to the Petersburg Railroad to extend its line to the Appomattox River,⁵ and the

¹ Report of Richmond and Petersburg Railroad Company, September 30, 1867.

² *Poor's Manual*, 1898, p. 155.

³ *American Railroad Journal*, vol. XL, p. 576.

⁴ Report of Richmond and Petersburg Railroad Company, September 30, 1866.

⁵ *American Railroad Journal*, vol. XL, p. 576.

Richmond and Petersburg now asked to be allowed to extend its track to the south bank of the Appomattox and connect with the Petersburg at that point. This was granted through an enabling act passed by the Virginia legislature. The same fares and freight rates were prescribed as obtained on the connection road in Richmond. This act provided that the gross receipts were to be divided into two equal parts. Three fifths of one part were to be assigned to the Petersburg Railroad Company for maintenance and operation of that section which it should build, and two fifths to the Richmond and Petersburg for the same purpose. The other part was to be divided between the companies in proportion to the amount spent by each in constructing its part of the connecting line. The building of this short line between the two roads necessitated the building of a railroad bridge over the Appomattox, and a union station. The work was completed and the first train was run over the line on August 20, 1867.¹ Thus the railroads running between northern and southern points escaped the necessity of having to transfer passengers and baggage through the streets of Richmond and Petersburg in omnibuses and wagons, and avoided the danger of losing through travel to the more comfortable lines.

At the same time that these connections were being made in Richmond and in Petersburg, a line was being built from Washington to Brook's Station, on the Richmond, Fredericksburg, and Potomac, and a bridge was being constructed over the Cape Fear River at Wilmington.² This bridge was built by the Wilmington Railway Bridge Company, chartered in June, 1866.³ The stock of the company was owned jointly by the Wilmington and Weldon, the Wilmington and Manchester, and the Wil-

¹ *American Railroad Journal*, vol. XLI, p. 974.

² *Ibid*, vol. XL, p. 576.

³ Ordinances of North Carolina, 1865-66, ch. 31.

mington, Columbia, and Rutherford, now the Seaboard Air Line. The bridge with a few miles of road established the connection of these three companies at Wilmington. From that time up to the present the bridge has been controlled through stock ownership by the three companies and their successors. The closing of these gaps made continuous and comfortable travel between New York and the South possible.

These connections, which made possible the running of through passenger and freight trains, increased the traffic. New industries grew up along the lines, especially truck farming in North Carolina. The Wilmington and Weldon was in a position to profit greatly from the increase.

Competition

The Petersburg was still subject to competition at Weldon with the Seaboard and Roanoke. Much of the traffic brought up by the Wilmington and Weldon went over the latter to Norfolk and was shipped from there north. The Wilmington and Weldon handled all the traffic originating in the Wilmington section of North Carolina and going north, regardless of its direction after leaving Weldon. The Petersburg, on the other hand, handled only that part which did not go over the Seaboard and Roanoke.

The Richmond and Petersburg received no larger share of traffic originating in the South than did the Petersburg, but the former was not dependent on this traffic for its existence, while the latter was. The Richmond and Petersburg still had its coal business from the Clover Hill Branch to fall back on. Moreover, it had a monopoly of the passenger traffic between Richmond and Petersburg and charged a fare of two to six cents per mile. It could therefore make expenses even if no connections had been made. In fact 1867 was the most prosperous year the road had had up to that time, although the connections were not completed until the fall of that year. The gross

earnings for the year were \$136,456; its expenses \$82,633, leaving a net revenue of \$53,823. The next year the net revenue increased to \$58,101, the largest of any year up to 1875.¹ Thus the recovery of the Richmond and Petersburg was rapid.

The Petersburg, almost wholly dependent on traffic which it received from other roads, recovered slowly. The country through which it ran was poor, crops light, and few manufactures were in existence along its line. It came out of the Civil War badly crippled and struggled along against competition with the Seaboard and Roanoke. Moreover, it was poorly managed and reports even gained circulation that it was dishonestly managed. Under these circumstances it was impossible to avoid a reorganization. On May 10, 1877, it was placed in the hands of a receiver upon a motion made in the United States Court at Norfolk.² Pending reorganization it was operated for four years by a receiver appointed by the court, with the usual amount of wrangling among the various classes of security holders.

A movement was reported in 1878 by which the second mortgage bondholders intended to buy the road at foreclosure and form a new management.³ Matters drifted on, however, and the stockholders and bondholders seemed to be no nearer an agreement than they had been at first. Consequently Judge Hughes, of the United States Circuit Court of the Eastern Division of Virginia, issued an order in 1880 allowing until January, 1881, for the redemption of the company.⁴ The court directed that unless such an agreement was reached by that time, the road should be advertised and sold for \$60,000, and that the purchasers should deposit \$10,000 as a pledge of good faith. In case of sale thirty days were to be allowed for exceptions, where-

¹ See Appendix, Table VII.

² *Commercial and Financial Chronicle*, vol. xxiv, p. 445.

³ *Ibid.*, vol. xxvi, p. 523.

⁴ *Ibid.*, vol. xxxi, p. 306.

upon, if the sale were confirmed, the road was to be turned over to the purchasers. No agreement was reached by the creditors and the court advertised the road for sale, subject to a \$500,000 mortgage.¹ The sale was to take place in Petersburg on April 20, 1881, to satisfy a mortgage of May 1, 1872. Those interested in the road now realized that something must be done if they would save it. They got together, reached an agreement and petitioned the court that the date of the sale be postponed. The petition was granted and the date of sale set for May 20, 1881.² The second bondholders then presented a plan whereby the sale might be averted.³ A pool committee purchased all the outstanding second mortgage bonds. This committee also held 7645 shares of the capital stock. The scheme provided for the payment in full of the interest due on the first mortgage, and for the funding of a part due on the second mortgage bonds. The plan was unanimously adopted by the bondholders, and the road was by order of the court restored to the stockholders, and the receiver, Mr. G. G. Pegram, was dismissed on May 9, 1881.⁴

The load under which the company had been struggling may be seen from the financial statement of September 30, 1880:⁵ capital stock, \$1,324,200; funded debt, \$1,041,000; coupons and unpaid interest, \$312,840; floating debt, \$133,383; cost and equipment of road, \$1,035,750. The funded debt consisted of \$500,000 8 per cent first mortgage bonds dated January 1, 1869, due 1879; \$487,500 8 per cent second mortgage thirty-year bonds due May 1, 1902; \$53,500 8 per cent third mortgage ten-year bonds due 1885. Both the earnings and expenses of the road were considerably increased, but the operating ratio was

¹ *Commercial and Financial Chronicle*, vol. xxxii, p. 232.

² *Ibid.*, vol. xxxii, p. 444.

³ *Baltimore Sun*, May 3, 1881.

⁴ *Poor's Manual*, 1881, p. 360.

⁵ *Commercial and Financial Chronicle*, vol. xxxiv, p. 377.

materially lowered during the years the road was in the hands of the receiver.¹

With the physical connection of all the roads completed, so that through trains might run from Wilmington to New York, with the Petersburg reorganized and placed on a firm financial basis, with the ravages of the Civil War largely repaired, a new era was ushered in. The handling of freight became far more important than it had ever been before. Cotton continued to be the chief bulky commodity handled. The naval stores business was declining and shifting to the Southwest. The time was ripe for the introduction of a new industry which would furnish sufficient business for the improved facilities. The growing of garden truck and fruit offered the opportunity.

This industry in North Carolina was an extension of what had been started before the Civil War around Norfolk. The so-called "winter garden," which supplies the northeastern states with fresh vegetables demanded during the late winter and early spring months, is a narrow belt stretching along the Atlantic Coast from near Savannah, Georgia, to the southern portion of New Jersey.² The soil of this strip is for the most part what geologists have named the Norfolk fine sandy loam, and is admirably adapted to the raising of early vegetables. It is estimated that of the total area of this soil, amounting to some 20,000,000 acres, not one tenth of one per cent is used even now for truck crop production, and not 25 per cent is used for any agricultural purpose aside from grazing. So far as soil is concerned, therefore, the truck-growing industry is capable of wide extension.

But soil is only one of the necessary factors in the establishment of the industry. Transportation is equally important. Not only must the truck crops be grown near a

¹ See Appendix, Table VIII.

² Jay A. Bonsteel, "Truck Soils of the Atlantic Coast Region," *Year Book of U.S. Department of Agriculture*, 1912, p. 417.

primary shipping point, but the railroad must be able to make quick delivery of products to the place of consumption. This the Atlantic lines were not able to do before the connection of the various roads. With these connections completed, however, the business began to develop. The first efforts were feeble and the crops limited, but when once a start was made the growth was rapid. In 1868, the next year after the closing of the gaps, 1200 barrels of fruit and vegetables were shipped from North Carolina to northern points.¹ The work of carrying these new products was begun in April and continued until October. This was the season of light traffic for the roads, and almost the only additional expense in handling the business was that of changing the cars so as to give proper ventilation. The income to the road the first year was only about \$6000. The new industry brought into the state and distributed among the growers over \$100,000. This was sufficient encouragement to induce many farmers to turn their attention away from the staple crops to truck gardening.

The railroads were quick to see that in this field they had a great opportunity to develop a profitable business if only they could give speedy delivery of the perishable crops. The roads were not slow to improve their natural advantages. The Wilmington district is able to mature its crops twenty-two days on the average earlier than the older district around Norfolk. But to profit from the industry absolute harmony among the north and south lines was necessary. This was one characteristic which the roads had never shown. Their efficiency had always been impaired by a want of harmony on the part of the different managements.² Made up of short lines, projected to serve local purposes, the managements had been subordinated

¹ Report of Wilmington and Weldon Railroad Company, November 11, 1868.

² *Ibid.*, November 16, 1870.

to local policies and prejudices greatly to the detriment of through business and to the hindrance of increased receipts. In the marketing of the products of the North Carolina truck farms they at last found a common interest.

After handling the business as best they could for nearly twenty years as separate lines, all the roads forming a connection between the North Carolina and the large eastern seaboard cities entered into a contract and established what has since that time been known as the "Atlantic Coast Despatch." The contract was signed by the Pennsylvania Railroad, the New York, Philadelphia, and Norfolk Railroad, and the lines which have since gone into the Atlantic Coast Line System. All-rail connection was thus established with the northern markets both by way of Washington and through Portsmouth. The Atlantic Coast Despatch was equipped with special fruit and vegetable cars built by the shops of the Wilmington and Weldon Road. The expenses of operation were shared in proportion to the mileage of the contracting lines.¹ The Pennsylvania Road was to furnish thirty cars and the Atlantic lines seventy. Three fourths of a cent per mile was to be paid to the owner by that company using the car. The two routes, that passing through Richmond and Alexandria and that passing through Cape Charles and Portsmouth, were to be treated alike. A system of rates per hundred pounds to Baltimore, Philadelphia, and New York, from eight cents in the first class to two cents in the sixth higher than through rates from and to the same points, fixed by the Atlantic lines in conjunction with their water connections was agreed upon. A similar arrangement was made for Boston and Providence with higher differential rates.²

¹ Report of Wilmington and Weldon Railroad Company, November 23, 1887.

² Atlantic Coast Despatch Contract, dated August 1, 1887. In vault of Treasurer's office of the Atlantic Coast Line Railroad Company, Wilmington, N.C.

These new facilities developed a north-bound movement of early vegetables and fruits "even beyond the expectations of the most sanguine."¹ Nor did the development of this new business seriously affect the old staple crop, for in most cases the vegetables are planted early and between the rows of cotton. The early vegetables mature and are gathered before the cotton has grown to sufficient height to interfere with them. Some land near the lines which had formerly been planted to cotton was now given up entirely to vegetables and fruits, but not enough to lessen materially the cotton yield. The extent to which the truck business had now grown may be seen by the number of cars put into service. The first year following the contract 23 fruit and vegetable cars were built for the Petersburg, 8 for the Richmond and Petersburg, 13 for the Northeastern of South Carolina, and 50 for the Wilmington and Weldon itself. The rapid growth of the industry soon made it impossible for the Wilmington and Weldon shops to furnish a sufficient number of cars to handle the business, and the second year of the contract the Wilmington and Weldon alone bought 300 new cars from a Baltimore manufacturing concern.²

It was found that other crops could be raised besides lettuce and Irish potatoes, which had been the chief products of the Wilmington section. Almost by accident it was discovered that the soil was peculiarly suited to strawberries. About 1890 two farmers living at Rocky Point and Faison planted small beds for their own use. The yield was such that they decided to express a few crates to Richmond, Washington, and Baltimore. The fruit was so good that they received exceedingly high prices for the few crates and decided to grow the next year for the market. From this small beginning there has developed the greatest strawberry section in the United

¹ Report of Wilmington and Weldon Railroad Company, 1888.

² *Ibid.*, 1890.

States. It soon became evident that the express company could not handle the business. The Atlantic Coast Despatch was not suited to this delicate fruit and the Atlantic Coast Line introduced the refrigerator car. Cars were secured from the California Fruit Growers Express, popularly known to the strawberry raisers as the "C.F.X." The facilities of the company were inadequate for the undertaking and it was necessary to secure the services of another of the great car line companies, the Armour Car Lines. The following, taken from the contract between the Armour Car Lines and the Atlantic Coast Line, will serve to show the relations between the two:

It [the Atlantic Coast Line] will, through its accounting department, pay to the Car Line as soon as accounts can be made up after the end of each month all moneys earned by the Car Line for furnishing it refrigeration and handling generally under its supervision the business moving from its rails during the preceding month, at the rates named by the Car Line and not exceeding the maximum hereinbefore provided, together with any local cold storage charges in connection with such business as hereinbefore provided. It being understood that failure to collect from shipper or consignee after due diligence the refrigeration charges referred to in this contract, the Railroad Company will be relieved from same, provided that in the event part of the rates for transportation or refrigeration or both is collected, the Railroad Company will pay to the Car Line its pro-rata proportion, on revenue basis, of charges so collected. It will also pay to the Car Line for the use of said cars $\frac{3}{4}$ of one cent per mile run on the lines of the railroad both loaded and empty; the Car Line to collect direct from connections the usual mileage earned by its cars beyond the rails of the Railroad.¹

With these adequate facilities and a permanent means of transportation, strawberry growing increased by leaps and bounds. The thickly populated section between Rich-

¹ Contract between the Armour Car Lines Company and the Atlantic Coast Line Railroad Company, dated October 17, 1906. In Treasurer's office, Atlantic Coast Line Railroad Company, Wilmington, North Carolina. The contract from which this is an excerpt superseded one entered into in 1903.

mond and Boston was the chief market, though shipments were made as far west as Chicago and even into Canada. The sales every season amount to from \$750,000 to \$1,000,000, which added to the income from vegetables and fruit crops increase greatly the prosperity of the section.¹

While the truck and fruit industry in the North Carolina section was growing up, the naval stores center was shifting farther to the south into South Carolina and Florida and was handled largely by the roads of this section which became integral parts of the Atlantic Coast Line System. Physical connection between the Wilmington and Weldon and the Wilmington, Columbia, and Augusta was made shortly after the war. There was still one very great impediment to the free shipping of perishable commodities, the difference in gauge of the two roads. This necessitated unloading at Wilmington. The difficulty was not removed until 1886 when the gauge of the Wilmington, Columbia, and Augusta was standardized.² The extension of the truck industry toward the south was one of the chief reasons for making the improvement.

III

THE ATLANTIC COAST LINE OF SOUTH CAROLINA GROUP

The Wilmington, Columbia, and Augusta Railroad

The war ruined practically all of the railroads in the South Carolina-Georgia territory and the growth of the Atlantic Coast Line System in these states has taken place largely since 1865.

During the Civil War the Wilmington and Manchester, later the Wilmington, Columbia, and Augusta, suffered from the destruction of its track and equipment and from the inability to procure the necessary materials for repair

¹ See Appendix, Table IX.

² Report of Wilmington and Weldon Railroad Company, November, 1885.

and reconstruction. When the war was ended the earnings were so small that it was impossible to put the road in proper condition. Legal proceedings were commenced and a second suit of foreclosure was brought in the courts of North and South Carolina.¹ The road was consequently sold on January 5, 1870, for \$525,000 cash and \$1,975,828 in its preferred securities,² and was reorganized under the name Wilmington and Carolina. For purposes of reimbursing the cost of the road and of furnishing means to build the extension to Columbia and to equip thoroughly the whole line, the company executed a first mortgage for \$3,200,000 on its road from Wilmington to Columbia, together with all its personal property, real estate, and equipment. It was estimated that when the road should be completed to Columbia, the entire distance being about 200 miles, its value would be some \$4,500,000.³ The purchasers of the old company received a charter in March, 1870, from the legislatures of North and South Carolina, incorporating them into the Wilmington, Columbia, and Augusta Railroad Company. One provision of the charter was that the capital stock was not to exceed \$5,000,000. The company was given permission to build a road from any point on its line to Columbia, South Carolina.⁴ This extension was opened in the winter of 1871-72 and gave the road an outlet in the Southwest, offering a more direct route to the principal cities in the South Atlantic and Gulf States.⁵

On November 20, 1872, the Wilmington, Columbia, and Augusta leased the Wilmington and Weldon Railroad for a period of ninety-nine years. The terms provided for: payment of regular interest on all bonded debt of the

¹ *Vernon's Railroad Manual*, 1874, p. 355.

² *Poor's Manual*, 1870-71, p. 402.

³ *Commercial and Financial Chronicle*, vol. xi, p. 497.

⁴ Statement filed with the Interstate Commerce Commission by the Atlantic Coast Line Railroad Company.

⁵ *American Railroad Journal*, vol. XLIV, p. 1437.

company; assumption of all its assets, including stock and interest in the Wilmington Railroad Bridge Company; payment of all liabilities other than funded debt; payment to the company of 5 per cent on capital stock for current year, 6 per cent the next year, and 7 per cent for each succeeding year during continuance of lease, said payments to be free of United States tax.¹ Failing to receive the rental, the lessor was forced to dissolve the contract in December, 1877. Failure to carry out the terms of this contract was the forerunner of more trouble, and in October, 1879, the road was again sold under foreclosure of mortgage and reorganized in February, 1880.² Under the reorganization plan of this year all securities except the first mortgage bonds were cut off, and these were exchanged at the rate of two old \$1000 bonds for one new \$1000 bond and \$600 of stock. The new bonds bore interest at 6 per cent and fell due on January 1, 1910.

This scaling down of fixed charges relieved the situation. The reorganization plan provided that profits for a time should be used to rebuild the track and to improve the equipment. New steel rails were bought and 75 new cars were purchased.³ The report of 1881 showed an increase of \$93,510 in gross receipts over the previous year. It included a recommendation that a dividend of 3 per cent be declared, and that all earnings above 6 per cent should be put back the following year into improvements. In reference to the rebuilding of the road the report for the year ending September 30, 1884, says:

It is a cause of congratulation that the day seems at hand in which the five feet gauges of the various southern roads will be changed to four feet eight and a half inches so as to make a uniform gauge throughout the United States. This alteration together with change of rolling stock will require, it is estimated,

¹ *Railroad Gazette*, vol. iv, p. 518.

² *Poor's Manual*, 1884, pp. 422-23.

³ *Commercial and Financial Chronicle*, vol. xxxiii, p. 686.

an outlay of about \$50,000. It is important, as this sum will be required in cash, that it should be accumulated from the earnings and set aside for the emergency. There is no similar amount this company could be called upon to invest from which it would derive a tithe of the advantage.¹

By a curious coincidence, eight years after the dissolution of the lease of the Wilmington and Weldon, the lessee became the lessor and vice versa, when on June 1, 1885, the Wilmington and Weldon took a ninety-nine year lease on the Wilmington, Columbia, and Augusta.² The terms of this contract were that the Wilmington and Weldon guaranteed the interest on the bonds of the Wilmington, Columbia, and Augusta, and a 6 per cent dividend on the stock.³ The lease continued in operation until canceled on July 18, 1898, in order that the Wilmington, Columbia, and Augusta might enter as a separate unit into the Atlantic Coast Line of South Carolina.

The Northeastern Railroad of South Carolina

The Northeastern Railroad of South Carolina suffered great damage to its property during the Civil War, and it was forced to expend during the years following \$215,398 on reconstruction.⁴ It suffered also because of the total destruction of the Savannah and Charleston and its delayed reconstruction after the war. This interfered greatly with railroad travel from southern points north, which ordinarily passed over the Northeastern. Such a result was not surprising, for the disuse of the Savannah and Charleston formed the only break in a continuous line from St. Marks, Florida, to Portland, Maine.⁵ Passenger

¹ *Commercial and Financial Chronicle*, vol. xxxix, p. 706. See Appendix, Table X.

² Report of Wilmington and Weldon Railroad Company, September 30, 1885.

³ Contract filed in Treasurer's office, Atlantic Coast Line Railroad Company, Wilmington, North Carolina.

⁴ *American Railroad Journal*, vol. xli, pp. 822-23.

⁵ Report of Northeastern Railroad of South Carolina, 1869.

traffic was diverted before it reached the Northeastern. These obstacles were not altogether removed by the rehabilitation of the Savannah and Charleston, due in large part to the incompleteness of the connections with that line and the absence of double daily service over it. For some time after the Civil War, the country through which the road passed did not furnish a business sufficient for its capacity. In order to increase the freight and to encourage the farmers to produce more, rates were lowered in 1869, resulting in a falling off of freight earnings.¹ In addition to this disadvantage the lack of capital and ready money restricted the movement of the people. The road could not get away from the fact that it was very unfortunately located to maintain a separate existence. It was competing on one side with water transportation; on the other it was the base of a triangle, with another road bisecting the sides and running parallel to it. The line was a valuable one to form part of a system, but not successful when operated alone.²

The Cheraw and Darlington Railroad

The Cheraw and Darlington was a naval stores road and was designed to give the people of the upper Peedee an outlet for their forest products. It fulfilled its purpose in its early history, but later as other roads were built, much of its traffic was diverted. It continued to make enough to support itself, and by a series of purchases beginning in 1892 it expanded into a small system of roads. It bought the Cheraw and Salisbury Railroad in 1892; the Hartsville Railroad, from Hartsville to Floyds, South Carolina, in 1895; and Division A of the Charleston and Northern, from Gibson, North Carolina, to Darlington, South Carolina, in 1895.³ This small system went into the Atlantic Coast Line of South Carolina in 1898.

¹ *American Railroad Journal*, vol. XLII, pp. 792-93.

² See Appendix, Table XI.

³ *Poor's Manual*, 1898, p. 286.

IV

THE SAVANNAH, FLORIDA, AND WESTERN GROUP

The Atlantic and Gulf Railroad

Immediately after the war, the Atlantic and Gulf without outside aid was restored and extended to Bainbridge, work which had been abandoned in 1864. Business improved and by 1867 the road was getting a share of the cotton trade at St. Marks, Florida, reached by a branch line.¹ Although its gross earnings up to 1871 and its operating expenses both increased, the ratio was such that an increasing surplus could still be set aside.² After 1870 its difficulties began again. A failure of the cotton crop of 1871 cut down the number of bales hauled by 43,269, in consequence of which the earnings fell off \$72,555. In addition to this loss of traffic, the rate had to be reduced from \$.95 to \$.70 per hundred to meet competition through Eufaula and Montgomery to Louisville. Earnings from passenger traffic also began to decrease owing to the disorganized railroad connections in Florida, and the income from this source fell \$14,295 during the year 1872.³ The road was in a weakened financial condition when the panic of 1873 came, and although it passed through this and the years of business stagnation following, it could not recover its ground. The underlying cause of its difficulties was that the original plan had never been carried out. No through route to Pensacola and Mobile had been completed. One terminus of the road was a good one, the other was bottled up. The charter had specified that the route should be selected with distinct reference to a speedy connection with the Gulf of Mexico, and that it was the intention of the state of Georgia to provide a main trunk

¹ *Commercial and Financial Chronicle*, vol. VI, pp. 456-58.

² See Appendix, Table XII.

³ *Vernon's Railroad Manual*, 1873, p. 339.

railway across her territory, connecting the Atlantic Ocean and the Gulf of Mexico.¹ The experience of 1871 was "sufficient to show that the company should not rely exclusively on its temporary local establishment." The Georgia state commissioners, appointed to represent the \$1,000,000 of stock held by the state in the Atlantic and Gulf, reported a strong argument in favor of carrying out the original design of the road and placing it in connection with the Gulf at Pensacola, Mobile, and New Orleans by the construction of 165 miles of road from Bainbridge to Pollard, Alabama, where it would connect with finished lines of railway to all these points.² But the time for such palliative measures was past. A receiver was appointed in April, 1877, and a bill filed in the United States Circuit Court for the sale of the road to satisfy a second mortgage. The court ordered the road with all its branches, constituting altogether 350 miles of line, to be sold in Savannah November 4, 1879.³ It was bought by Mr. H. B. Plant, for \$300,000 cash, subject to a mortgage of \$2,713,500. He increased the capital stock to \$2,000,000, and reorganized the company under the name of the Savannah, Florida, and Western Railway Company.

The Charleston and Savannah Railroad

The Charleston and Savannah was mainly a cotton carrying road. It had been completed just before the war. Sherman, on his march to the sea, left it a right of way and a roadbed. In order to get started it had executed a \$1,000,000 mortgage in 1858, and the interest on this had not been paid. An unconditional sale was the only solution of the difficulties. The trustees therefore sold the road in October, 1866, for \$30,000 cash to Mr. Joseph H. Taylor representing the bondholders.⁴ A reorganization then took

¹ *Commercial and Financial Chronicle*, vol. xiv, p. 354.

² *Ibid.*, vol. xv, p. 219. ³ *Ibid.*, vol. xxix, p. 40.

⁴ *American Railroad Journal*, vol. xxxix, p. 1141.

place, the name being changed to the Savannah and Charleston Railroad Company. The bonds amounting to \$1,000,000 were converted into the same amount of stock. The sale had been made subject to a lien by the state of South Carolina, which had indorsed certain bonds.¹ Interest to the amount of \$157,000 had accumulated on these bonds and this amount was funded by the new company. The road, 104 miles, was rebuilt at a cost of \$2,238,290, and opened for business in the spring of 1869.² This crisis had just been passed when the panic of 1873 and the subsequent depression in business came and the road again found itself in difficult straits. The outcome was a decree of sale in the Court of Common Pleas of South Carolina. The sale was made absolute and all parties in the case were barred of any equity of redemption or other right in the property. It was bought at foreclosure in the summer of 1880, reorganized under the name of the Charleston and Savannah Railway Company, and as such went into the Savannah, Florida, and Western.

The Brunswick and Albany Railroad

The Brunswick and Albany came out of the Civil War badly crippled and struggled along as best it could till the panic of 1873. This gave it a blow from which it could not recover. In 1871 it was engaged in building an extension from the seacoast to Eufaula, Alabama, 242 miles.³ Construction had been completed as far as Albany, Georgia, about halfway to Eufaula, when the president, Mr. Kimball, became involved in financial difficulties due to losses in the Chicago fire.⁴ Contracts for the rest of the road had been let and it was expected that it would connect with the Brunswick and Vicksburg. This collapse made it impossible to complete the undertaking. An at-

¹ *Vernon's Railroad Manual*, 1873, p. 330.

² *Commercial and Financial Chronicle*, vol. XII, p. 337.

³ *Vernon's Railroad Manual*, 1873, p. 346.

⁴ *Commercial and Financial Chronicle*, vol. XIII, p. 605.

tempt to sell the road under a mechanic's lien was made in 1872, but the sale was postponed.¹ The bondholders were endeavoring to hold the road for their debt, since the state of Georgia, which had guaranteed the bonds, had repudiated its guarantee. The next year it was sold at auction at Brunswick, Georgia, October 15, 1873, to J. M. Mayers, who represented the German bondholders. He paid \$530,000 for it.² This sale was made to satisfy judgments obtained by creditors. The road, now turned over to Charles Schlatter representing the stockholders, was a poor piece of property; it had never earned more than \$1000 per mile and all earnings were absorbed in running expenses.³ In 1882 it was again sold, this time by the bondholders to Frederick Wolffe, and was reorganized as the Brunswick and Western.⁴ Under this name it was bought conditionally by the Savannah, Florida, and Western, the conditions being that the purchasers should have sixty days in which to investigate the title. At the expiration of the specified time, the agents of the Plant System stated that they were dissatisfied and declined to take the road.⁵ Upon notification of this decision, the bondholders filed a bill to compel the specific performance of the contract. Little else was done until the stockholders met in Frankfort, Germany, and unanimously voted to dispose of their holdings, 162,400 shares, to the Savannah, Florida, and Western. The German stockholders received for their holdings in the road £260,000 in 4 per cent mortgage bonds of the Savannah, Florida, and Western and £130,000 in income bonds of that road.⁶ The investment in 1901 by the Savannah, Florida, and Western in the Brunswick and Western was not a paying proposition

¹ *Commercial and Financial Chronicle*, vol. xv, p. 773.

² *Vernon's Railroad Manual*, 1873, p. 346.

³ *Commercial and Financial Chronicle*, vol. xxxi, p. 535.

⁴ *Ibid.*, vol. xxxv, p. 637.

⁵ *Atlanta Constitution*, September 27, 1885.

⁶ *Commercial and Financial Chronicle*, vol. xlv, p. 819.

financially. It did give the Plant System improved connections which were serviceable to it, and on this ground alone can the acquisition of the road be justified.¹

The Alabama Midland Railroad

The Alabama Midland Railroad Company was chartered by the legislature of Alabama in March, 1887, and by that of Georgia in October of the same year, as the Alabama Terminal and Improvement Company.² It purchased a short line known as the Northwest and Florida Railroad in 1889,³ and extended it from Bainbridge on the Savannah, Florida, and Western to a connection with the Louisville and Nashville at Montgomery, a distance of 175 miles. Upon completion of the road the Plant Investment Company purchased the majority of the stock from the Alabama Terminal and Improvement Company and took charge of it on August 1, 1890.⁴ Subsequent to this, a difference arose between the two companies over certain bonds the interest on which had been guaranteed by the Savannah, Florida, and Western until November, 1892.⁵ The Alabama Terminal and Improvement Company filed a bill in the Chancery Court asking that a receiver be appointed for the Alabama Midland.⁶ The matter was settled out of court and the road continued as the property of the Savannah, Florida, and Western up to the time that company was taken over by the Atlantic Coast Line Railroad Company.

The territory served by the Savannah, Florida, and Western has always been predominantly agricultural. The freight which the road handled came from farms, forests, and mines along the line, the extractive industries. It is estimated that in 1900, 300,000 cattle were marketed

¹ See Appendix, Table XIII.

² *Poor's Manual*, 1889, p. 655.

³ *Commercial and Financial Chronicle*, vol. XLVII, p. 532.

⁴ *Ibid.*, vol. LII, p. 717.

⁵ *Ibid.*, p. 898.

⁶ *Ibid.*, vol. LIII, p. 186.

from the contiguous territory.¹ The chief markets are Brunswick, Charleston, Savannah, and Jacksonville, at the last of which the cattle are fed and shipped to Cuban markets. Cotton also forms one of the chief items of freight. By no means the least important is the early vegetable, melon, and fruit traffic from Florida to northern points. Phosphate rock and fuller's clay were mined along the route. The forests yielded cross ties, turpentine, and rosin. The nature of the freight varied with the seasons. For instance, cotton came to the line in the fall and winter and one kind of car was needed to haul this; fruit and vegetables appeared in the spring and necessitated an entirely different kind. Fruit and melons pay a high freight rate but they are expensive to handle because of the speed with which they must reach their destination.

The passenger traffic of the road was also seasonal, consisting largely of passengers going south for the winter. Such travel is spasmodic and must be catered to. It demands more luxurious accommodation than the road would have otherwise been compelled to furnish. Moreover, the system was subject to two sources of competition; one to the north and west over the lines paralleling the Mississippi, the other over the water routes on the Atlantic. The nature of the traffic subjected the road to more expense and more risk than the average. In spite of this it prospered during the years just prior to its purchase by the Atlantic Coast Line, but it became more remunerative when operated in connection with a larger system. The risk under these conditions was distributed over a greater mileage, and better connections and quicker time were possible, absolute necessities to a road whose traffic was seasonal. Its purchase therefore by the Atlantic Coast Line Railroad was a natural outgrowth of its situation.

¹ *Compendium of Attractions and Business Opportunities along the Plant System of Railways*, 1900, p. 5. J. W. Stephens, Agricultural and Immigration Agent.

CHAPTER VIII

INTEGRATIONS AND CONSOLIDATIONS

"As long as railroads were purely local affairs, each locality might charter and run its own. The moment any through traffic grew up, this was found to be a wasteful way of doing business. If they changed cars at every point of junction, the expenses were vastly increased. If they did not change cars, there was still the awkwardness of dividing responsibility, and the evil of having two separate organizations where one would do the work better."¹ It was inevitable, therefore, with the development of railroads as the chief means of transportation, that the separate lines serving the Atlantic seaboard should be forced into a closer relationship with each other. The more important the roads became and the heavier the traffic, the closer the relationship.

The integration of the Atlantic Coast Line shows practically every phase of railroad development in the United States, the one notable exception being that of cut-throat competition. Beginning with a number of short lines scattered throughout the territory, there existed first informal agreements and understandings which could be terminated at the will of any one of the parties. Following this there came the physical connection of the roads and formal contracts for the handling of through passengers and freight, the receipts from these sources to be divided according to mileage. Next was the holding company period when one company purchased the majority of the stock of the roads and exercised a controlling influence over them. Finally came the time when the more prosperous lines purchased outright their less prosperous neighbors and formed small systems. As this tendency grew, the holding

¹ Hadley, *Railroad Transportation*, p. 83.

company played a less important part and finally disposed of the majority of its holdings and ceased to exercise any influence over the management other than in its capacity as a stockholder. The final step came when the system thus formed began to buy outright other systems and incorporate them into itself or to allow the acquired road to continue a separate management, as in the case of the Louisville and Nashville.

The main period of consolidation and expansion falls within the decade following the panic of 1893. This is just forty years later than the beginning of the consolidation of the New York Central lines. The consolidation of the Pennsylvania lines also came much earlier than did that of the Atlantic Coast Line. The roads in the South most nearly comparable with the Atlantic Coast Line are the Southern and the Seaboard Air Line, chartered in 1894 and 1900 respectively. They are each the result of a series of integrations and consolidations similar to those that took place in the Atlantic Coast Line. The consolidation of these systems occurred at about the same time as that of the Atlantic Coast Line, that is, during the decade following the panic of 1893.

The lateness of the movement in the South is attributable to the Civil War and to the panic of 1873. The war put a stop to all railroad improvement in this section. Hardly had the shock of this passed when two thirds of the railway mileage in the South was thrown into the hands of receivers by the panic of 1873. Unfortunate though these catastrophes were, the delays caused by them enabled the roads of the South to escape the period of cut-throat competition and rate wars of the late seventies and eighties. Profiting by the experiences of northern and western roads, they also escaped for the most part the evils of high finance, and there is no period in the history of any of them similar to that depicted by Charles Francis Adams in his "A Chapter of Erie."

The Atlantic Coast Line Company

The holding company period in the history of the Atlantic Coast Line Railroad dates from the incorporation of the American Improvement and Construction Company on April 29, 1889, under the laws of Connecticut.¹ Under that act of incorporation this company was "given power and was authorized to acquire, build, own, sell, convey, equip, lease or maintain and operate by steam or other power, any railroad, street railway, tramway, telegraph lines, telephone lines, water works, canals, bridges, steamship or steamboat lines, boats and vessels of all kinds, and the appurtenances thereof." The right was also granted to obtain, carry, and transport passengers, mail, express, freight, and other articles. In addition, the company was allowed to "acquire, purchase, produce, generate, and manufacture by mechanical device or other means from any substance or material, distribute, sell and convey, use, deal in, and otherwise dispose of gas and electricity." The original capital of the company was \$500,000, divided into \$50 shares and the maximum capitalization was \$10,000,000. By an amendment passed on June 22, 1889, the maximum capitalization possible was increased to \$30,000,000.²

After four years the name of this company was changed to the Atlantic Coast Line Company by the act of May 5, 1893. Its shares of stock were then made \$100 instead of \$50. An additional right granted at this time is of particular interest, bringing the company within the scope of the present history; namely, the power "to hold or acquire or otherwise get possession of shares of stock in other corporations, bonds, securities, obligations, and to transfer, sell or otherwise dispose of such obligations."³ By the ex-

¹ Special Laws of Connecticut, vol. x, p. 1175. For informal agreements and early contracts, see chapter v.

² Special Laws of Connecticut, vol. x, p. 1443.

³ *Ibid.*, vol. xi, p. 404.

ercise of this power the company secured the majority of the stock of many of the roads in this study, including that of the Atlantic Coast Line Railroad Company itself, which it retained until 1914.

In January, 1914, at a meeting of the directors, it was determined to recommend to the stockholders that the capital stock be reduced one half, from \$17,640,000 to \$8,820,000.¹ Each stockholder was to be required to return to the company his certificate of capital stock, receiving in exchange on or after March 10, 1914, the new certificates for the same number of shares but of the par value of \$50 each. In consideration of the reduction of stock, he should receive two shares of the common stock of the Atlantic Coast Line Railroad Company.² The stockholders decided to accept this recommendation and so voted on February 20, 1914.³ The stock of the company was accordingly reduced by one half, and the stockholders received for \$8,820,000 of Atlantic Coast Line Company stock, \$17,640,000 in the stock of the Atlantic Coast Line Railroad Company. The holding company by means of this distribution gave up the controlling interest in the Atlantic Coast Line Railroad, owning on June 30, 1915, only \$18,590,000 out of \$67,755,700 of the outstanding stock of that road.⁴ The financial success of the Atlantic Coast Line Company can be judged from the fact that in 1898 its capital was increased from \$5,000,000 to \$10,000,000, the \$5,000,000 increase being distributed to stockholders of record as a 100 per cent dividend, representing the earnings of the company in financing the various railroads in which it was interested.⁵

¹ *Commercial and Financial Chronicle*, vol. xcviII, p. 234.

² Circular to stockholders, dated January 15, 1914.

³ *Commercial and Financial Chronicle*, vol. xcviII, p. 609.

⁴ *Poor's Manual*, 1915, p. 1129.

⁵ *Commercial and Financial Chronicle*, vol. lxxvII, p. 954.

The Atlantic Coast Line Railroad of Virginia

The next phase of consolidation began when the prosperous roads controlled by the Atlantic Coast Line Company purchased adjoining roads outright. The first transaction was the purchase of the Petersburg by the Richmond and Petersburg, under an act passed by the legislature of Virginia in 1898, authorizing the consolidation of the two roads.¹ The act provided that the new company should acquire the stock of the Petersburg par for par, and that any stock not exchanged on these terms could be bought outright at a price to be determined in the Circuit Court in the town of Petersburg, or by a committee appointed for that purpose. According to this act the Richmond and Petersburg was to give up the right of exemption from taxation, "except the original exempt property now taxed for state purposes only." The act increased the capital stock to \$3,000,000 and changed the name of the company to that of the Atlantic Coast Line Railroad Company of Virginia.²

This consolidation, resulting in less than a hundred miles of line, was a mere beginning, for at the next session of the legislature of Virginia an act was passed on January 12, 1900,³ and approved later by the legislature of North Carolina, by which the Atlantic Coast Line Railroad Company of Virginia was given power: to lease, use, operate, and consolidate itself with other roads; to change its name to the Atlantic Coast Line Railroad Company; to own stocks and bonds or other evidences of debt; to guarantee stocks and bonds of other railroad or transportation companies; to increase its capital to \$100,000,000. This act provided further that the company should give up all rights whatsoever to exemption from taxation. This

¹ Acts of General Assembly of Virginia, 1897-98, ch. 635, p. 674.

² See Appendix, Tables XIV and XV.

³ Acts of General Assembly of Virginia, 1900, ch. 18, p. 24.

was the act under which the Atlantic Coast Line Railroad Company of to-day grew up. Under it were acquired the Atlantic Coast Line of South Carolina, the Wilmington and Weldon, and the Savannah, Florida, and Western.

The Atlantic Coast Line Railroad of South Carolina

The Atlantic Coast Line of South Carolina was organized on July 16, 1898,¹ under the provisions of an act of the legislature of South Carolina passed in 1897.² This act provided that the Wilmington, Columbia, and Augusta Railroad Company, the Northeastern Railroad Company of South Carolina, the Cheraw and Darlington, the Manchester and Augusta, and the Florence Railroad Company should be consolidated into a new company known as the Atlantic Coast Line Railroad Company of South Carolina.³ The South Carolina Railroad Commission indorsed the plan of merger early in 1897,⁴ but in order that there might be no doubt as to the legality of the action, a friendly suit was brought in the Circuit Court at Columbia, South Carolina, on April 26, and it was decided on April 27 that the consolidation was legal.⁵ The outcome of this suit allowed the consolidation of about 700 miles of line, 600 of which were located in South Carolina.⁶ The stockholders of the five companies voted favorably on the combination in July, 1898.⁷ The terms according to which the merger became effective were that the Atlantic Coast Line of South Carolina gave to the Safe Deposit and Trust Company of Baltimore a consolidated mortgage covering the whole property, against which were issued \$8,000,000 fifty-year, 4 per cent bonds.⁸ The new company also issued \$3,000,000 common and \$5,000,000 preferred stock.

¹ *Railroad Gazette*, vol. xxx, p. 486. ² *Poor's Manual*, 1899, p. 394.

³ *Commercial and Financial Chronicle*, vol. LXVII, p. 273.

⁴ *Railroad Gazette*, vol. xxix, p. 88. ⁵ *Ibid.*, p. 331.

⁶ *Commercial and Financial Chronicle*, vol. LXIV, p. 887.

⁷ *Ibid.*, vol. LXVII, pp. 179-80.

⁸ *Commercial and Financial Chronicle*, vol. LXXI, p. 1116.

Holders of the bonds of the old companies were given until November, 1898, to exchange their bonds for an equal amount of those of the new organization, and out of \$2,895,000, \$2,500,000 were exchanged.¹

The life of the Atlantic Coast Line of South Carolina during the two years of its independent existence was uneventful. The only important fact was the securing of a lease, jointly with the Louisville and Nashville, of the property of the Georgia Railroad. This road had been originally leased by the Central of Georgia and the Louisville and Nashville jointly.² The former forfeited its interest by a failure to pay its share of the rental, whereupon the latter operated the whole of the Georgia Road for a year and then disposed of one-half interest in the contract to the Atlantic Coast Line of South Carolina.³ This company, together with three others,⁴ was consolidated on April 23, 1900, into the Atlantic Coast Line Railroad Company of Virginia, and the name of the latter changed to the Atlantic Coast Line Railroad Company.⁵

The Atlantic Coast Line Railroad Company

The absorbing road, the Atlantic Coast Line of Virginia, though less than a hundred miles long, acquired over 1500 miles of line. The stock per mile of the purchasing company was greater than that of any of the other roads. Though its bonded debt per mile was almost twice that of any other, its earning power was also double. With such conditions as these it is not strange that this road, short though it was, should become the parent company.

¹ *Commercial and Financial Chronicle*, vol. LXVII, p. 954.

² Appendix to Report of State Corporation Commission of Virginia, 1913, p. 14.

³ Statement issued September, 1899, by August Belmont, Chairman of Board of Directors of Louisville and Nashville Railroad Company; *Commercial and Financial Chronicle*, vol. LXIX, p. 591.

⁴ The three were: the Southeastern of North Carolina; the Norfolk and Carolina; and the Wilmington and Weldon.

⁵ *Commercial and Financial Chronicle*, vol. LXX, p. 791.

Purchase of the Savannah, Florida, and Western Railway

The next acquisition of the Atlantic Coast Line Railroad was the Savannah, Florida, and Western Railway Company in April, 1902.¹ The road consisted of a main line running from Charleston, South Carolina, to Tampa, Florida, with numerous branches, amounting to 1665 miles. This system was itself the result of the acquisition of a number of small roads, the most important of which were the Atlantic and Gulf, the Charleston and Savannah, and the Brunswick and Western, the history of which has already been given. After a conference held in New York on April 4, 1902, between the representatives of the Atlantic Coast Line and the Plant systems, the following statement was issued: "Negotiations have been completed under which it is arranged that the Plant System will on or before July 1, 1902, be consolidated with and become the property of the Atlantic Coast Line Railroad Company. The negotiations contemplate that other properties of the Plant System will pass under the control of the Atlantic Coast Line."²

It was possible to arrange this consolidation only after considerable litigation over the Plant will. Practically all the stock of the Savannah, Florida, and Western had been owned by Mr. H. B. Plant, and it was his desire that there should be no partition in his property until the majority of his great grandson, a lad then four years old. To accomplish this he had tried to become a citizen of Connecticut in order to take advantage of certain laws in that state which would permit him to make such a provision in his will. The will was contested by his widow and he was declared a

¹ Supplement to *Commercial and Financial Chronicle*, April, 1902, p. 127.

² Statement of W. G. Elliott, president of the Atlantic Coast Line Railroad Company and R. G. Erwin, president of the Savannah, Florida, and Western Railway; *Railroad Gazette*, vol. xxxiv, p. 278; *Commercial and Financial Chronicle*, vol. lxxiv, p. 774.

citizen of New York and therefore unable to include such a provision in his will.¹ When this point was settled there was no legal hindrance to the consolidation. The Atlantic Coast Line stockholders voted favorably on the proposition on May 12, 1902. The terms of agreement provided that the Atlantic Coast Line assume all the debts of the Savannah, Florida, and Western including \$12,451,000 4 per cent bonds dated April 1, 1902, with the understanding that the mortgage remain on the same physical property as formerly and that holders of preferred stock of the Plant System should receive in exchange 50 per cent of their holdings in the common stock of the new company, and holders of the common stock should receive 25 per cent.² Any holders who did not care to make the exchange on this basis were to be paid at an agreed valuation in 6 per cent mortgage bonds of the consolidated company, or in cash, or if no agreement could be reached, at such price as the law might determine.³

The United States Trust Company of New York acted as trustee. The stockholders of the Atlantic Coast Line Railroad Company gave assent on June 16, 1902, to the issuing of an \$80,000,000 mortgage on all lines owned at the time or to be built by it, provided that the mortgage should not exceed \$20,000 per mile of line.⁴ Among other purposes set forth in this mortgage, \$12,451,000 of bonds of the Savannah, Florida, and Western were to be retired, after which this became a first mortgage on 570 miles of line, and a first mortgage on all the lines owned by the Atlantic Coast Line Railroad Company and any railway property which should be constructed by means of the fund.

¹ *Railroad Gazette*, vol. xxxiv, p. 278.

² Agreement of consolidation between Atlantic Coast Line Railroad Company and Savannah, Florida, and Western Railway Company, April 10, 1902. Filed in the office of the Secretary of the Commonwealth of Virginia.

³ *Commercial and Financial Chronicle*, vol. lxxiv, p. 1039.

⁴ First consolidated mortgage, Atlantic Coast Line Railroad Company, 1902, p. 4.

Thus the Savannah, Florida, and Western which operated on May 16, 1902, the date of the agreement, 1702 miles of road, was merged with the Atlantic Coast Line Railroad Company which operated at this date 1676 miles.¹

The acquisition of the Plant System was the last of the important mergers and consolidations by which various lines and systems of roads became integral parts of the Atlantic Coast Line. Another event of far-reaching effect was the acquisition of the majority of the stock of the Louisville and Nashville. The company came into possession of this stock by accident; it bought the control over this large and important road as a matter of self-defense.

*Purchase of majority of Stock of the Louisville and
Nashville Railroad*

In January, 1902, John W. Gates began buying on the New York Stock Exchange shares of Louisville and Nashville stock. This silent buying continued throughout February and March.² The activity in Louisville and Nashville stock was noticed and reports of every kind gained circulation.³ The most common one was that the shares were being bought by the Southern Railroad interests, and that the two roads would be merged into one system. Another, which proved to be the true one, was that Gates had organized a syndicate to speculate in Louisville and Nashville stock. Matters reached a crisis early in April. A wild scramble began on the Exchange on April 8 when 58,000 shares changed hands. The next day, April 9, 144,000 shares changed hands, and the following day, 280,000 shares. The prices which prevailed were five points above the record price of these stocks on the Exchange, with the single exception of 1880, when cash dividends and a 100 per cent

¹ First consolidated mortgage, Atlantic Coast Line Railroad Company, 1902, p. 1. See Appendix, Table XVII.

² *Railroad Gazette*, vol. xxxiv, p. 759.

³ *New York Times*, Thursday, April 10, 1902.

script dividend was declared, at which time the price ranged from 86 in January to 174 in November.¹ Gates had acquired almost half of the stock of the company, although so far as was publicly known, he had not the slightest idea of buying the road. He was a speculator and not a practical railroad man.²

On April 5, 1902, August Belmont and Company, in order to take advantage of the prevailing high price, placed in the open market \$5,000,000 in stock which had been in the treasury of the Louisville and Nashville Company since November, 1893.³ The purpose of issuing this amount was to secure a majority of the stock of the Atlanta, Knoxville, and Northern Railroad Company, for the construction of a line to join this road with the main line, and to build a road from Knoxville to Jellico, Tennessee. Mr. Belmont, chairman of the Louisville and Nashville board of directors, acting on their instructions placed the stock on the market. Gates had to buy or else this amount would force the price down, causing loss on what he already had. Since the stock could not be delivered until listed on the Exchange for thirty days, the company found itself short and was unable on account of the state of the market to borrow against the sales. It was thus compelled to go into the open market and buy at a higher figure than the stock so sold.⁴ The price of Louisville and Nashville stock varied during the week from $108\frac{3}{4}$ to $122\frac{1}{2}$.

Up to this time the public had not definitely known who was buying the Louisville and Nashville stock, but the matter was cleared up on April 16 by statements of the parties concerned. The real battle for control came on April 10, when 280,000 shares changed hands. The outcome was that Gates secured a majority of the stock and thus acquired control of a great railroad system, when

¹ *New York Times*, April 16, 1902.

² *Railroad Gazette*, vol. xxxiv, p. 759.

³ *Commercial and Financial Chronicle*, vol. lxxiv, pp. 775-76.

⁴ *New York Times*, April 11, 1902.

he intended only to engage in a speculative "spree." He had secured a practical corner on the stock, and the shorts had to make terms. A period of great excitement in railroad circles followed. Railroad men were afraid of Gates and Hawley. It was feared that they would cut rates, gut the road, and get out. The Gates-Hawley syndicate realized their advantage and were in a position to dictate terms. Numerous conferences between the interested persons were held, and an agreement was reached on April 15. Peace was declared and a number of statements given out, among which were the following:

J. W. Gates on Tuesday, April 15, 1902, said:

We have bought control of the Louisville and Nashville Railroad. We did not buy it on speculation, but for investment, believing absolutely in the present and future value of the property. There will not be any corner on the stock. We have placed the entire matter in the hands of J. P. Morgan and Company, and requested them to act as arbiter in the situation, because of the prominence of the property, and our desire not to disturb in any way the general market conditions, and because we know they have no interest whatever in the property or recent purchases.

J. P. Morgan and Company on Wednesday, April 16, 1902, said:

At the request of Messrs. Harris, Gates, and Company, who on their own independent account have recently made large purchases of Louisville and Nashville Railroad stock, Messrs. J. P. Morgan and Company, as bankers, have consented to take control of the stock so purchased and to receive the same on deposit. They have so consented solely to relieve the general financial condition, and not for the benefit of any railway company. The Southern Railway has no interest, direct or indirect, present or prospective, in the stock or its purchase or deposit. Messrs. J. P. Morgan and Company are acting with the cordial consent of Messrs. August Belmont and Company.

Mr. August Belmont, chairman of the board of directors of the Louisville and Nashville, referring to the above statements, said:

I have been aware of the negotiations by which J. P. Morgan and Company have consented to take control and deposit of the stock of the Louisville and Nashville Railroad Company, purchased by Harris, Gates, and Company. The statement of Messrs. J. P. Morgan and Company just made public, has my unqualified approval and there will be no contest for the control of the Louisville and Nashville Railroad.¹

President Spencer of the Southern Railway and President Williams of the Seaboard Air Line also issued statements to the effect that their roads were in no way interested in the deal.

The matter rested here until October, when announcement was made that J. P. Morgan and Company had arranged to sell their holdings in the Louisville and Nashville to the Atlantic Coast Line Railroad Company.² These holdings consisted of 102,000 shares of common stock bought outright from J. W. Gates, Edwin Hawley, and associates at a price reported to be 130, and 204,000 shares bought at 150 of the Gates-Hawley syndicate under an option of April. The Atlantic Coast Line paid \$50,000,000 for the Morgan interest in the Louisville and Nashville, giving \$35,000,000 in 4 per cent, fifty-year collateral trust bonds of the Atlantic Coast Line of Virginia, secured by the deposit of Louisville and Nashville stock, \$5,000,000 in Atlantic Coast Line of Virginia stock, then selling at 180, and \$10,000,000 in cash. The stockholders of the Atlantic Coast Line, at a meeting held in Richmond, November 17, 1902, voted unanimously to approve the action of the board of directors in their purchase of 306,000 out of 600,000 shares of Louisville and Nashville stock outstanding.³

Though the Atlantic Coast Line came into possession of the majority of the stock more by force of circumstances than otherwise, its acquisition has proved a source of pro-

¹ Statements given to the press and quoted in *Commercial and Financial Chronicle*, vol. LXXIV, pp. 830-31.

² *Ibid.*, vol. LXXV, p. 733.

³ Report of the Atlantic Coast Line Railroad Company, June 30, 1903.

fit. In 1912 the capital stock of the Louisville and Nashville was increased from \$60,000,000 to \$72,000,000, and the Atlantic Coast Line increased its holdings by \$6,000,000 in order to take advantage of the privilege of Louisville and Nashville stockholders of taking one new share for every five already held.¹ The advantages which came to the road through this control can be illustrated by conditions during 1912. As a part of the purchase price, the Atlantic Coast Line gave \$35,000,000 of its own collateral trust bonds which carried a 4 per cent interest. The Louisville and Nashville that year paid a 7 per cent dividend although considerably more than this was earned. The dividend which the Atlantic Coast Line received amounted to \$2,142,000, against which must be balanced the interest on the collateral trust bonds, \$1,400,000, leaving a surplus of \$742,000.² This surplus would amply provide for the interest charge on the \$10,000,000 of cash which was also a part of the purchase price, and leave a margin. This advantage comes directly in money and does not include the very favorable traffic arrangements which might not otherwise exist.

The amount of line built and acquired by the Atlantic Coast Line since the acquisition of Louisville and Nashville stock is of relatively small importance. It is one of the great systems in the country and its problems for the past fifteen years have been those which have confronted all other large systems during that time. The chief of these has been to keep the increase in operating expenses from exceeding the increase in receipts. Another has been to develop such a traffic along its line that it might have a more uniform freight flow and might be less dependent on fruit and early vegetables at one season of the year and on cotton at another.

¹ *Commercial and Financial Chronicle*, vol. xcv, p. 967.

² *Ibid.*, p. 1364.

Present Condition of Atlantic Coast Line Railroad

The gross earnings of the road have very greatly increased since 1900; the expenses have increased and that too at a more rapid rate; in other words, the operating ratio has been constantly growing. The road and its equipment have been steadily improved. The amount spent on maintenance of way and structures and maintenance of equipment per mile has just about doubled within the last ten years.¹ This fact alone would raise the operating ratio, but not to such a point as it has reached. The cause lies deeper. During the year 1904-05, the earnings of the road were sufficiently large to pay the regular 5 per cent dividend amounting to \$1,918,835, and to leave a surplus of \$2,364,647.² In addition to the regular dividend, the board of directors this year declared an extra one of 25 per cent payable 20 per cent in the common stock script of the Atlantic Coast Line Railroad Company, and 5 per cent in certificates of indebtedness of the Atlantic Coast Line Company of Connecticut. This dividend represented money appropriable to the payment of regular dividends which had been used in the development of the property.³ The surplus of \$2,364,647 on the operations for the year 1903-04, together with that already accumulated, brought the entire surplus on June 30, 1904, up to \$13,712,994.⁴

The reports of the president continued to be optimistic in tone up to and including that of June 30, 1906. In that report, however, attention was called to the fact that the earning power of the road had been cut down because of the inability of the company to secure certain equipment which had long been overdue. But one is tempted to attribute a part of the difficulty at least to the fact that the purchasing agent reported a 15 per cent increase in the price of thirty of the most important articles used by the road. From this time on the road was constantly struggling

¹ See Appendix, Table XVIII.

² *Commercial and Financial Chronicle*, vol. LXXIX, p. 2177.

³ *Ibid.*, p. 2204.

⁴ *Ibid.*, p. 2177.

to keep down expenses. The traffic and gross earnings during 1906 were increased, but against this there was an increase of almost \$1,500,000 in the cost of conducting transportation alone. The gross earnings that year had increased 12 per cent over those of the year before, but this was more than offset by a 19 per cent increase in expense.¹

This was for the Atlantic Coast Line the beginning of a series of lean years which practically all railroads have experienced for the last decade. The only difference was that, thanks to its accumulated surplus, it was in a better position to live through them than most roads were. The year 1907 was an especially hard one. It was a repetition of 1906, except that the discrepancy between increase in earnings and expenses was still greater. The increase of earnings of the road over the previous year were \$1,903,080, or 7.5 per cent, while the increase in operating expenses mounted up no less than \$3,549,827, or 21 per cent.² The capital investment was growing all the while, owing to necessary improvements due to additional patronage; the capital stock of the company had been increased in 1904 to \$50,000,000.³ This increase included the stock dividend mentioned above. This necessitated, however, a greater expense in dividends in the following years, since the company had to maintain a proper rate of dividend in order to support its credit.

The difficulties of 1907 were due not only to an increase in expense but also to the panic which demoralized business the latter part of the year. Not only did the road have to face a disorganized business condition, but it had to put into effect a lower freight and passenger rate in a number of southern states.⁴ The company had foreseen

¹ *Commercial and Financial Chronicle*, vol. LXXXIII, pp. 1263-64.

² *Ibid.*, vol. LXXXV, p. 1305.

³ Report of the Atlantic Coast Line Railroad Company, June 30, 1905.

⁴ Decrease in passenger rates:

Virginia	3	to 2 cents, effective Oct. 1, '07
North Carolina	3½	to 2½ " " Aug. 8, '07
Georgia	3	to 2½ " " Sept. 1, '07
Alabama	3	to 2½ " " Oct. 1, '07

(*Commercial and Financial Chronicle*, vol. LXXXV, pp. 1342-43.)

difficulties and had provided against them by the issue of \$5,000,000 short-term notes,¹ but there was no way to foresee the panic or guard against its effects. As a result, when the dividends payable on January 10, 1908, came due, arrangements had to be made for them. The directors had taken no action with reference to the matter at their regular meeting on November 19, 1907.² At this date there was outstanding \$47,537,600 common stock, on which there had been paid the year before a 6 per cent dividend, and for several years previous 5 per cent.³ The regular 3 per cent semi-annual dividend was declared on January 10, as usual, but was paid in 4 per cent certificates of indebtedness of the company, which it had bought in the open market as an investment between June 30, 1904, and June 30, 1907.⁴ This was the hardest year in the history of the road from the time of consolidation up to the outbreak of the Great War.

The year 1908 was somewhat more successful. Owing to the Jamestown Exposition, the gross receipts from passenger traffic increased slightly, in spite of a flat two cent rate which had been put into effect by agreement with the railroad commissions of the various states through which the road operates.⁵ There was a decrease in earnings in 1909, however, owing to the two cent rate.⁶ The gross earnings in 1910 were the greatest in its history up to that time,⁷ while the expenses for that year had been exceeded by those of two others. Owing to efficient management the Atlantic Coast Line was one of the few roads in the coun-

¹ *Commercial and Financial Chronicle*, vol. LXXXIV, p. 506.

² *Ibid.*, vol. LXXXV, p. 1338.

³ Dividends of the company since its formation:

'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14
2½	3½	5	5	5	6	6	5½	5½	6	6	7	7	5

⁴ *Commercial and Financial Chronicle*, vol. LXXXV, p. 1517.

⁵ Report of the Atlantic Coast Line Railroad Company, June 30, 1908.

⁶ *Ibid.*, June 30, 1909.

⁷ *Ibid.*, June 30, 1910.

try which were able during this year to make a net earning.¹ In 1909 the salaries of all officers receiving more than \$3000 a year had been cut down 10 per cent.²

The most important of the savings, however, has been in the size of the train load. The average number of tons of freight moved per train mile had been in 1905, 167 tons. This had increased to 201 tons in 1910, and has, according to the report of the road for June 30, 1915, gone up to 223 tons. The increase has been due to the effort which has been put forth to develop the territory situated along its lines. An Immigration and Agricultural Department is maintained by the road, the duty of which is to encourage settlement along the line, and the establishment of manufacturing industries in the towns and cities served.³ In addition to this, the road has operated agricultural trains over its lines in order that the activity of its patrons may be increased. It has also sent special cars to the various state fairs throughout the northern and western states and Canada, exhibiting the products which are grown along the line. In this way it has done much to increase its traffic. In spite of its efforts, however, and in spite of rigid economy, the last few years have been hard ones for the Atlantic Coast Line, as they have been in fact for most railroads. It has had to battle against passenger rates which were unusually low, and against the expenses incident to the physical valuation, a movement the wisdom of which is doubtful in the minds of many railroad students.

On November 19, 1909, the stockholders authorized a \$200,000,000 mortgage bond issue, carrying a 4 per cent interest charge.⁴ The purpose of these bonds was to retire underlying bonds, to take up certificates of indebtedness and such other obligations as the board of directors should from time to time see fit. This bond sale remained open un-

¹ *Commercial and Financial Chronicle*, vol. LXXXIX, p. 1313.

² *Ibid.*, p. 1314.

³ See Appendix, Table XIX.

⁴ *Commercial and Financial Chronicle*, vol. LXXXIX, p. 1141.

til April 1, 1914, when it was decided to close it. The money market was in such a condition that a bond guaranteeing 4 per cent as a maximum could not be sold to advantage. Instead of these bonds, general unified mortgage bonds of a similar amount were issued, the interest to be adjusted as the conditions might seem best to the board of directors. This was the state of affairs on the eve of the outbreak of the Great War.

Many of the questions which arose in the early railroad era in the United States appeared in the growth of the Atlantic Coast Line Railroad. Some of these have been settled, but others have arisen to take their place. Important among them was the question of taxation. The charters of most of the constituent units granted exemption from taxation. In most cases the roads gave up voluntarily this privilege in return for others from the various states. In a few instances the question was settled only after long struggles in the courts.¹ The road now pays taxes regularly in all the states through which it passes, but there is little uniformity in the method of assessment or collection. This situation, as well as the conflicting legislation between the states on the one hand and the federal government on the other, and among the states themselves, has brought unnecessary hardship upon the Atlantic Coast Line.

Taxation

A résumé of the tax laws of the six states through which the line passes shows an entire lack of uniformity.² No one principle of taxation is adhered to throughout, though the general property tax predominates. The dates on which returns have to be made vary. In Virginia a state franchise tax of $1\frac{1}{4}$ per cent is levied on the gross transportation re-

¹ See *Wilmington and Weldon Railroad Company vs. Allsbrook*, 146 U.S. 279; 110 North Carolina 137; *Wilmington and Weldon Railroad Company vs. Reid*, 13 Wall. 264.

² An unpublished manuscript by Mr. C. J. Joseph, Tax Agent of the Atlantic Coast Line Railroad Company.

ceipts of the road. Municipal taxes are levied on the tangible personal property at the same rate as the general property tax. In addition there is a state tax on rolling stock and an annual registration fee of \$25. In North Carolina the general property tax prevails and there is a state privilege tax of \$10 per mile when the annual earnings exceed \$5000 per mile. The railroad pays to the state of South Carolina a corporation license tax of \$.003 on the gross interstate receipts. The entire expense of assessment and the salaries of the railroad commissioners are also paid by the railroad. In Georgia the value of the entire property of the road is determined, the value of the franchise is calculated, and the sum total of these is taxed. The road pays an occupation tax of \$200. The state of Florida demands a license tax of \$10 a mile, half of which goes to the various counties through which the road runs. Municipalities tax the personal property of the roads within their limits, making the levy themselves or accepting that of the state. In Alabama 60 per cent of the personal property of the road is taxed at the same rate as other personal property. The value of the franchise is calculated and the state board apportions the valuation of the state franchise to each county or municipality according to mileage, and taxes it at the rate which is levied on real and personal property. Under these laws the Atlantic Coast Line paid for the calendar year ending December 31, 1916, the following taxes:

	<i>Aggregate taxes paid per mile</i>	<i>Aggregate average tax rate</i>
Virginia.....	\$686.57	\$1.69
North Carolina.....	493.15	1.35
South Carolina.....	403.15	2.48
Georgia.....	389.23	1.77
Florida.....	341.26	3.65
Alabama.....	328.47	1.62

Conflicting Federal and State Regulation

The regulation of railroads by federal and state authorities is no more uniform than the tax laws in the various states. The Constitution of the United States gives to Congress power to regulate commerce among the several states. Purely intrastate commerce is left to the regulation of the states so long as the regulation does not burden interstate commerce. Congress has given to the Interstate Commerce Commission power to regulate railroads so far as interstate commerce is concerned, but has especially provided that the regulations shall not apply to the transportation of passengers or property or to the receiving, delivering, storage, or handling of property wholly within one state and not shipped to or from any other state or territory. The several state commissions undertake to regulate the railroads as to intrastate matter, and a railroad which extends through several states, as is the case of the Atlantic Coast Line, is therefore regulated by the Interstate Commerce Commission and also by the commissions of the states. Under this system and in view of the many nice distinctions as to what constitutes interstate commerce, it is to be expected that conflicting regulations will arise.

The most sensitive point of contact between the railroads and the public is that which concerns rates, and it is with regard to rates that the conflict has been most pronounced. State authorities have prescribed a scale of state rates designed to give to the citizens of that state preference as to state markets over citizens of adjacent states, making the state rate lower than the interstate rate.

But the conflict is not confined to questions of rates. It is but one phase of the underlying conflict between the idea of a centralized government as opposed to that of the several states. Conflicting regulations appear practically in every case where there is possibility of distinguishing the interstate from the intrastate character of the activity to

ACL R.R. Co.

Savannah, Florida & Western R.R. Co.

Charleston & Savannah R.R. Co. (Savannah) Charleston R.R. Co. (The Charleston Savannah R.R. Co.)
 Brunswick & Western R.R. Co. Brunswick & Albany R.R. Co. Brunswick & Florida R.R. Co.

The Alabama Midland R.R. Co. Northwestern R.R. Co. Montgomery R.R. Co. The Montgomery R.R. Co.
 & Florida R.R. Co. & Florida R.R. Co. Southern R.R. Co.

The South Western Alabama R.R. Co.
 Live Oak, Tampa & Charlotte Harbor R.R. Co.

The Silver Springs, Ocala & Gulf R.R. Co.
 Abbeville Southern R.R. Co.

Waycross & Florida R.R. Co.
 The East Florida R.R. Co.

Tampa & The Notchess R.R. Co.
 Ashley River R.R. Co.

Chattahoochee E. Pass R.R. Co.
 Jacksonville

St. Johns River R.R. Co. Jacksonville, Tampa
 & Key West R.R. Co. Palatka & Indian River R.R. Co.

Atlantic & Gulf R.R. Co. Savannah, Albany & Gulf R.R. Co. (Savannah & Albany R.R. Co.)
 & Georgia R.R. Co.

South Florida R.R. Co. Sanford & Indian River R.R. Co.
 St. Cloud & Sugar Belt R.R. Co.

Greenpond, Wadsworth, & Branchville R.R. Co. Greenpond, Wadsworth, & Branchville R.R. Co. (Wadsworth & Western R.R. Co.)

Wilmington & Weldon R.R. Co. Wilmington R.R. Co. Bridge Co.
 Wilmington & Wadsworth R.R. Co.

Wilmington & Wadsworth R.R. Co. Wilmington & Wadsworth R.R. Co. (Wilmington & Wadsworth R.R. Co.)
 & Raleigh R.R. Co. & Raleigh R.R. Co.

Wilmington & Wadsworth R.R. Co. Wilmington & Wadsworth R.R. Co. (Wilmington & Wadsworth R.R. Co.)
 & Newbern R.R. Co. & Newbern R.R. Co.

Atlantic & Yadkin R.R. Co. Cape Fear & Yadkin Valley R.R. Co.
 & Yadkin R.R. Co.

Northwestern R.R. Co. Central R.R. Co. of South Carolina (Wilmington & Wadsworth R.R. Co.)
 Cherokee & Dorchester R.R. Co.

Wilmington, Columbia & Augusta R.R. Co. Wilmington, Columbia & Augusta R.R. Co. (Wilmington, Columbia & Augusta R.R. Co.)
 & Augusta R.R. Co.

Florence R.R. Co. Florence R.R. Co. (Florence R.R. Co.)
 Charleston & Marion R.R. Co.

Manassas R.R. Co. Charleston & Marion R.R. Co. (Charleston & Marion R.R. Co.)
 Annapolis R.R. Co.

Richmond & Petersburg R.R. Co. Richmond & Petersburg R.R. Co. (Richmond & Petersburg R.R. Co.)
 Southwestern R.R. Co.

Northfolk & Carolina R.R. Co. Richmond & Petersburg R.R. Co. (Richmond & Petersburg R.R. Co.)
 & Southern R.R. Co.

Birmingham & Montgomery R.R. Co. Birmingham & Montgomery R.R. Co. (Birmingham & Montgomery R.R. Co.)
 & Montgomery R.R. Co.

Florida Midland R.R. Co. Florida Midland R.R. Co. (Florida Midland R.R. Co.)
 The Florida Midland R.R. Co.

St. Johns & Lake Eustis R.R. Co. St. Johns & Lake Eustis R.R. Co. (St. Johns & Lake Eustis R.R. Co.)
 Jacksonville & Southwestern R.R. Co.

The Florida Southern R.R. Co. Jacksonville & Southwestern R.R. Co. (Jacksonville & Southwestern R.R. Co.)
 & Southern R.R. Co.

Conway Coal & Western R.R. Co. Conway Coal & Western R.R. Co. (Conway Coal & Western R.R. Co.)
 Winston & St. Petersburg R.R. Co.

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 Louisville & Nashville R.R. Co.

ACL R.R. Co. of Va.

ACL R.R. Co. of S.C.

Wilmington, Columbia & Augusta R.R. Co. Wilmington, Columbia & Augusta R.R. Co. (Wilmington, Columbia & Augusta R.R. Co.)
 & Augusta R.R. Co.

Florence R.R. Co. Florence R.R. Co. (Florence R.R. Co.)
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Northfolk & Carolina R.R. Co. Richmond & Petersburg R.R. Co. (Richmond & Petersburg R.R. Co.)
 & Southern R.R. Co.

Birmingham & Montgomery R.R. Co. Birmingham & Montgomery R.R. Co. (Birmingham & Montgomery R.R. Co.)
 & Montgomery R.R. Co.

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 The Florida Midland R.R. Co.

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St. Petersburg R.R. Co. Winston & St. Petersburg R.R. Co. (Winston & St. Petersburg R.R. Co.)
 Louisville & Nashville R.R. Co.

Scheme showing the Reorganizations and Consolidations of Roads merging into the ACL R.R. Co. (underscored roads indicate parent company)

APPENDIX

TABLE I

DIVIDENDS PAID BY THE PETERSBURG RAILROAD COMPANY
FROM 1835 TO 1862

<i>Date</i>	<i>Per cent</i>	<i>Amount</i>
Nov. 1, 1835.....	5	\$30,125
May 1, 1836.....	5	30,275
Nov. 1, 1836.....	5	30,275
No dividend till June 1, 1838.		
June 1, 1838.....	4	24,220
Nov. 1, 1838.....	3½	21,192.50
June 1, 1839.....	3½	21,192.50
Dec. 1, 1839.....	3	18,165
June 1, 1840.....	3	18,165
June 1, 1841.....	4	24,220
Dec. 1, 1841.....	3	18,165
No dividend till July 1, 1844.		
July 1, 1844.....	1½	11,535
Jan. 1, 1845.....	1½	11,535
July 1, 1845.....	2	15,380
Jan. 1, 1846.....	3	23,070
July 1, 1846.....	3	23,070
Jan. 1, 1847.....	3	23,070
July 1, 1847.....	3½	26,915
Jan. 1, 1848.....	3½	26,915
July 1, 1848.....	3½	26,915
Jan. 1, 1849.....	3½	26,915
July 1, 1849.....	4	30,760
Jan. 1, 1850.....	3	23,070
July 1, 1850.....	4	30,760
Jan. 1, 1851.....	3½	26,915
July 1, 1851.....	3½	26,915
Jan. 1, 1852.....	3	23,070
July 1, 1852.....	3½	26,915
Jan. 1, 1853.....	3½	26,915
July 1, 1853.....	3½	26,915
Jan. 1, 1854.....	3½	26,915
July 1, 1854.....	3½	26,915
Jan. 1, 1856.....	1½	13,161
July 1, 1856.....	1½	13,215
Jan. 1, 1857.....	3	26,454
July 1, 1857.....	3	26,496
Jan. 1, 1858.....	3	26,496
July 1, 1858.....	3	26,496
Jan. 1, 1859.....	3½	30,912
July 1, 1859.....	4	35,328
Jan. 1, 1860.....	5	44,160
July 1, 1860.....	5	44,160
Jan. 1, 1861.....	5	44,160
July 1, 1861.....	4	46,964
Jan. 1, 1862.....	12½	146,762



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July 1, 1851.....	3½	26,915
Jan. 1, 1852.....	3	23,070
July 1, 1852.....	3½	26,915
Jan. 1, 1853.....	3½	26,915
July 1, 1853.....	3½	26,915
Jan. 1, 1854.....	3½	26,915
July 1, 1854.....	3½	26,915
Jan. 1, 1856.....	1½	13,161
July 1, 1856.....	1½	13,215
Jan. 1, 1857.....	3	26,454
July 1, 1857.....	3	26,496
Jan. 1, 1858.....	3	26,496
July 1, 1858.....	3	26,496
Jan. 1, 1859.....	3½	30,912
July 1, 1859.....	4	35,328
Jan. 1, 1860.....	5	44,160
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Jan. 1, 1861.....	5	44,160
July 1, 1861.....	4	46,964
Jan. 1, 1862.....	12½	146,762

TABLE II

**FINANCIAL CONDITION OF THE RICHMOND AND PETERSBURG
RAILROAD FROM 1839 TO THE CIVIL WAR**

Year	Cost	Earnings from			Total earnings	Total expenses	Operating ratio	Net earnings
		Passengers	Freight	Mails				
1839....	\$743,410	\$41,713	\$7,883	\$5,863	\$54,959	\$30,504	65	\$24,455
1840....	772,915	43,144	18,755	7,243	68,289	36,194	53	32,095
1841....	783,082	43,655	21,797	5,628	71,080	43,266	61	27,814
1842....	789,305	40,311	20,007	5,812	66,131	43,190	65	22,941
1843....	793,012	28,462	19,917	5,489	53,808	38,710	72	15,158
1844....	794,091	30,655	17,205	6,341	54,203	35,689	66	18,514
1845....	794,440	31,729	21,372	6,101	59,203	41,957	71	17,246
1846....	914,893 ¹	36,716	35,590	6,561	78,868	45,282	57	33,586
1847....	925,793	38,513	47,437	10,359	96,310	58,319	61	37,991
1848....	929,750	37,188	59,393	11,966	108,554	74,180	68	34,424
1849....	933,658	36,554	52,273	10,614	99,441	72,810	73	26,631
1850....	941,195	60,913 ²	71,473	12,977	145,363	107,686	74	37,677
1851....	945,137	52,740	51,640	11,970	116,352	79,110	68	37,242
1852....	945,822	50,537	55,879	12,404	118,721	75,971	64	42,750
1853....	983,335	57,236	62,084	14,616	130,936	88,663	68	42,273
1854....	1,095,812	62,006	67,863	13,785	143,474	74,779	52	68,695
1855....	....	69,867	95,000	....³	145,702	72,664	50	73,038
1856....	1,205,030	81,255	65,280	10,649	151,947	78,713	52	73,234
1857....	....	84,422	63,327	....³	157,409	82,663	53	74,746
1858....	1,205,411	80,521	62,226	14,282	156,908	71,728	46	85,180
1859....	1,250,186	83,227	59,460	14,854	157,542	75,056	48	82,485
1860....	....	80,260	56,743	14,912	151,905	67,024	44	84,881

¹ Including Port Walthall Branch.² These returns are for 17 months.³ Included in freight earnings.

TABLE III

AMOUNT OF FREIGHT RECEIVED AT WILMINGTON AND AT
WELDON FROM 1854 to 1860 ¹

<i>Year</i>	<i>Bacon lbs.</i>	<i>Corn bu.</i>	<i>Cotton bales</i>	<i>Flour bbls.</i>	<i>Wheat bu.</i>	<i>Rosin bbls.</i>	<i>Turpen- tine bbls.</i>	<i>Tar bbls.</i>
1854 . . .	499,812	15,973	7,088	270	1,196	113,888	13,469	6,944
1855 . . .	527,426	25,807	13,575	4,991	3,052	100,244	18,721	8,798
1856 . . .	527,578	31,918	12,935	15,084	67,510	73,430	19,005	11,028
1857 . . .	372,882	9,856	12,954	20,248	71,611	87,676	12,875	4,491
1858 . . .	650,347	12,547	19,058	14,065	84,295	93,639	19,712	2,173
1859 . . .	275,078	20,363	23,553	12,952	52,112	76,222	24,204	10,039
1860 ² . .	379,610	12,713	31,256	11,215	7,416	63,573	18,056	7,732

¹ Report of the Wilmington and Weldon Railroad Company, November 8, 1860.

² Number of through passengers for the year ending September, 1860, 25,595, number of way passengers, 81,051.

TABLE IV

THE WILMINGTON AND WELDON RAILROAD COMPANY FROM
1841 TO 1899

<i>Year</i>	<i>Receipts</i>	<i>Expendi- tures</i>	<i>Profits</i>	<i>Price of through ticket</i>	<i>Number through passengers</i>	<i>Number way pas- sengers</i>
1841	\$297,228	\$241,945	\$52,283	\$20	9,742	5,498
1842	211,977	180,892	31,084	13	..	..
1843	286,172	148,166	78,006	13	8,450	13,574
1844	269,523	203,633	85,900	13	10,358	16,041
1845	288,493	212,091	76,402	12	11,018	16,393
1846	317,822	289,682	28,140	12	11,885	20,493
1847	331,480	259,912	71,567	10	12,997	25,396

TABLE IV (continued)

Year	Earnings					Expenses	Operating ratio
	Through passengers	Local passengers	Freight	Mails	Total		
1848.....	\$113,078	\$53,092	\$51,534	\$87,288	\$317,459	\$275,328	86%
1849.....	108,962	50,173	57,014	85,029	310,397	245,698	79
1850.....	193,706	62,382	71,051	80,626	422,325	274,764	65
1851.....	195,509	75,350	93,348	116,626	497,219	277,255	55
1852.....	200,425	98,935	110,194	82,063	510,038	325,909	63
1853.....	214,135	138,148	112,582	86,424	568,899	348,307	50
1854.....	151,034	132,511	130,463	63,296	482,880	291,220	60
1855.....	151,377	96,644	142,348	51,672	441,994	268,818	60
1856.....	162,341	108,408	154,158	48,600	479,349	273,895	50
1857.....	177,549	103,365	157,451	48,600	494,508	295,331	60
1858.....	126,857	96,529	157,832	48,600	446,583	248,518	55
1859.....	144,630	109,795	161,666	48,600	477,554	242,353	51
1860.....	133,896	118,347	185,204	48,600	500,209	325,338	65
1861.....	195,238	139,786	180,143	44,550	571,236	247,106	43
1862.....	454,845	184,496	246,348	24,300	955,348	295,693	32
1863.....	293,008	563,671	480,449	25,900	1,402,831	593,178	41
1864.....	784,870	688,051	1,434,378	25,308	3,010,039	1,864,224	61
1865.....	67,676	687,176	519,036	12,550	1,298,469	905,104	70
1866.....	110,814	128,351	611,599	18,273	611,599	892,634	113
1867.....	134,731	141,574	248,379	59,151	583,836	278,891	47
1868.....	108,896	110,109	299,640	76,523	596,169	296,149	48
1869.....	112,023	108,263	295,763	102,607	594,221	346,570	58
1870.....	102,913	123,538	331,578	36,190	550,934	305,665	51
1871.....	92,411	114,419	321,001	24,945	579,583	351,896	60
1872.....	92,759	131,255	366,176	24,945	635,870	405,037	63
1873.....	111,435	139,550	453,326	24,945	739,577	458,957	60
1874.....	104,399	106,843	467,246	24,945	711,409	398,440	56
1875.....	106,778	103,770	403,746	38,812	661,295	391,786	59
1876.....	110,995	90,472	359,165	28,886	604,698	365,721	60
1877.....	87,779	73,081	341,443	26,550	548,462	340,107	62
1878.....	89,715	81,993	274,486	28,128	487,815	267,389	54
1879.....	77,788	79,443	302,855	28,466	505,957	330,284	62
1880.....	86,314	91,937	365,506	38,564	603,175	414,260	69
1881.....	103,484	102,427	449,914	67,853	700,916	447,083	59
1882.....	125,361	126,470	429,937	72,391	783,790	574,318	73
1883.....	143,745	119,495	426,132	73,253	797,428	601,549	75
1884.....	154,121	117,339	412,992	75,716	788,014	493,382	63
1885.....	170,422	119,429	425,978	83,000	824,956	451,815	55
1886.....	173,946	117,822	449,073	84,253	861,639	487,539	57
1887.....	179,360	135,590	513,665	85,122	946,762	548,450	58
1888.....	205,227	153,280	651,856	88,719	1,135,232	587,102	52
1889.....	145,279	118,750	629,751	70,498	993,037	532,505	54
1890.....	212,234	171,471	808,093	96,149	1,350,853	681,137	50
1891.....	239,988	183,606	939,857	98,226	1,535,714	855,678	56
1892.....	238,478	171,954	863,953	88,628	1,452,012	802,884	52
1893.....	266,831	169,324	957,596	111,153	1,569,295	896,656	57
1894.....	241,317	168,598	1,067,263	92,486	1,618,800	948,526	58
1895.....	237,567	167,560	1,070,320	96,578	1,628,076	971,553	60
1896.....	248,968	185,724	1,202,427	96,700	1,803,196	1,067,207	59
1897.....	229,464	195,308	1,235,289	105,911	1,854,005	1,088,840	59
1898.....	237,447	216,666	1,494,267	109,495	2,179,081	1,240,450	57
1899.....	305,683	244,667	1,508,857	110,747	2,311,464	1,268,887	55

TABLE V

CONDITION OF THE FOREIGN TRADE OF SAVANNAH AT THE
BEGINNING OF THE RAILROAD ERA ¹

Year	Cotton (bags)			Rice (tierces)			Lumber (1000 feet)		
	Foreign	Coast- wise	Total	Foreign	Coast- wise	Total	For- eign	Coast- wise	Total
1825....	64,906	72,789	137,695	2,154	5,081	7,236	..	..	..
1826....	108,486	82,092	190,578	4,978	6,477	11,455	..	..	..
1839....	..	..	199,176	..	..	21,332	..	..	..
1840....	..	..	284,249	..	..	24,392	..	..	..
1841....	..	..	147,280	..	..	23,587	..	..	14,295
1842....	142,386	79,868	222,254	5,933	16,131	22,064	5,919	2,471	8,390
1843....	193,099	87,727	180,826	10,675	15,606	26,281	5,533	1,987	7,520
1844....	130,964	113,611	344,575	10,307	18,236	28,543	3,034	2,899	5,933
1845....	182,073	122,471	304,544	11,712	17,505	29,217	3,334	4,937	8,271
1846....	77,852	108,454	186,306	5,025	27,122	32,147	3,366	5,220	8,586
1847....	119,321	114,830	234,151	10,218	21,521	31,739	4,886	5,845	10,730
1848....	55,801	70,293	126,094	7,410	15,548	22,958	5,545	5,197	10,732

¹ Bancroft, *Savannah, Census and Statistics*, p. 37 ff.

TABLE VI

INCREASE OF TRAFFIC OF THE RICHMOND AND PETERSBURG
RAILROAD DURING THE CIVIL WAR; RECEIPTS PAID
IN CONFEDERATE MONEY ¹

Year	Freight Earnings	Passenger Earnings	Total Earnings
1861	\$58,063	\$74,985	\$153,432
1862	97,036	167,984	300,981
1863	174,556	333,365	545,659
1864	295,006	378,986	741,596
1865	11,474	19,435	33,100

¹ *Poor's Manual*, 1870-1871, p. 85.

TABLE VII
RICHMOND AND PETERSBURG RAILROAD COMPANY

<i>Year</i>	<i>Gross Earnings</i>	<i>Expenses</i>	<i>Net Revenue</i>
1867	\$136,456	\$82,633	\$53,823
1868	146,985	88,974	58,010
1869	160,945	123,601	37,344
1870	170,693	120,315	50,377
1871	148,139	139,098	9,040
1872	160,319	114,374	45,945
1873	160,227	145,407	14,819
1874	147,220	113,552	33,667
1875	164,935	86,684	78,251
1876	137,116	77,312	60,094
1877	137,116	89,844	47,271
1878	140,068	77,515	62,553
1879	154,622	81,551	73,071
1880	164,198	85,099	79,099
1881	185,905	99,978	85,926
1882	174,378	117,881	56,596
1883	182,820	104,575	78,245
1884	195,369	108,299	87,069
1885	192,650	97,481	95,168
1886	207,454	111,855	95,598
1887	224,389	128,375	96,014
1888	254,164	168,748	85,415
1889	217,790	141,722	76,068
1890	325,304	224,481	100,822
1891	325,268	254,848	70,420

TABLE VIII

FINANCIAL CONDITION OF THE PETERSBURG RAILROAD COMPANY
WHILE IN THE HANDS OF RECEIVER, 1880-1881 ¹

	<i>Earnings</i>	
	1880	1881
Passengers.....	\$65,448	\$75,792
Freight.....	134,737	168,835
Mail and express.....	20,427	33,575
Miscellaneous.....	9,046	8,052
Total.....	\$229,658	\$286,254
	<i>Expenses</i>	
	1880	1881
Maintenance of way and structures.....	\$59,749	\$55,129
Rolling Stock.....	42,045	45,869
Transportation.....	46,600	49,135
Miscellaneous.....	20,878	39,147
Total.....	\$169,272	\$189,280
Operating ratio.....	74%	66%
Net earnings, 1880.....	\$60,386	26%
Net earnings, 1881.....	\$96,974	33%

¹ Reports of Petersburg Railroad Company, in *Poor's Manual* for 1881-1882.

TABLE IX

NUMBER OF CARS OF STRAWBERRIES SHIPPED ANNUALLY
FROM NORTH CAROLINA FROM 1897 TO 1916 ¹

<i>Year</i>	<i>Number of cars</i>	<i>Year</i>	<i>Number of cars</i>
1897.....	423	1907.....	1,065
1898.....	856	1908.....	1,282
1899.....	991	1909.....	1,461
1900.....	1,127	1910.....	1,356
1901.....	1,218	1911.....	978
1902.....	1,301	1912.....	1,067
1903.....	1,080	1913.....	1,144
1904.....	1,416	1914.....	1,022
1905.....	1,296	1915.....	988
1906.....	2,376	1916.....	1,078

¹ From an unpublished manuscript on "The Strawberry Industry of Eastern North Carolina" and especially along the various divisions of the Atlantic Coast Line Railroad, by Z. W. Whitehead.

TABLE X

FINANCIAL CONDITION OF THE WILMINGTON, COLUMBIA, AND
AUGUSTA RAILROAD FOR A PERIOD OF THREE
YEARS AFTER ITS REORGANIZATION

	1883	1884	1885
Passenger earnings.....	\$195,701	\$195,945	\$367,991
Freight.....	403,415	370,236	204,750
Mail, etc.....	119,483	86,684	99,052
Total.....	718,599	652,869	671,793
Operating expenses and taxes...	513,308	455,384	455,405
Net earnings.....	205,291	197,486	216,388
Interest.....	97,734	96,000	96,000
Dividend, 6%.....	57,600	57,600	57,600
Total.....	155,334	153,600	153,600
Surplus.....	59,860	58,720	88,934

TABLE XI

THE NORTHEASTERN RAILROAD OF SOUTH CAROLINA

Year ending Feb. 28	Gross earnings				Operating expenses	Oper- ating ratio	Net earnings
	Passenger	Freight	Other	Total			
1857.....	\$15,360	\$15,425	\$1,558	\$32,347			
1858.....	42,644	47,383	9,375	99,403	\$61,132	61%	\$38,271
1859.....	78,689	108,271	33,053	222,013	123,868	56	96,144
1860.....	89,428	149,782	37,903	277,113	154,850	56	122,263
1861.....	89,045	137,168	37,495	263,707	159,411	60	104,296
1862.....	65,355	98,050	88,143	237,550	134,347	57	117,202
1863.....	104,310	89,712	245,481	439,514	141,992	32	297,522
1864.....	225,283	308,557	325,423	859,264	337,320	39	521,943
1865.....			No report made this year				
1866.....	88,283	95,345	18,656	202,285	131,591	65	70,697
1867.....	120,018	176,381	21,455	317,775	251,088	79	66,687
1868.....	92,088	172,648	14,495	279,232	173,655	62	105,576
1869.....	84,203	151,844	18,115	254,164	145,439	58	108,725
1870.....	87,667	172,465	19,965	280,097	159,560	57	120,537
1871.....	101,710	200,472	19,368	321,551	230,747	72	90,804
1872.....	97,659	190,067	17,725	305,452	203,799	67	101,653
1873.....	121,685	255,248	18,430	395,463	235,695	59	159,767
1874.....	116,624	270,516	16,710	403,851	258,635	64	145,215
1875.....	107,325	292,348	17,271	416,956	241,514	58	175,441
1876.....	97,674	271,904	12,700	382,278	220,435	58	161,843
1877.....	72,503	233,662	13,905	320,071	192,088	60	128,032
1878.....	83,531	265,607	14,505	363,644	201,144	76	162,500
1879.....	86,007	245,068	15,192	346,267	210,903	61	135,364
1880.....	100,309	284,745	19,338	404,894	219,234	54	185,659
1881.....	128,883	333,686	22,191	484,760	346,896	71	137,864
1882.....	146,052	386,141	28,035	560,228	378,110	68	182,118
1883.....	164,086	415,828	38,833	618,747	433,923	70	184,824
1884.....	164,671	349,202	55,594	569,470	404,523	71	164,946
1885.....	179,726	329,622	60,708	570,058	407,238	71	162,819
1886.....	185,156	305,910	68,568	558,633	436,868	78	121,765
1887.....	187,732	301,983	64,488	554,253	399,814	61	154,439
1888.....	205,873	328,243	66,961	601,077	440,348	73	160,729
1889.....	9 months ended June 30	hs fiscal year now		489,026	390,666	78	98,360
1890.....	224,388	370,733	80,901	676,062	458,729	68	217,333
1891.....	247,920	393,777	92,945	734,642	460,595	63	274,047
1892.....	232,398	348,994	77,864	659,256	500,411	76	158,845
1893.....	201,524	338,876	79,906	620,306	451,905	73	168,401
1894.....	168,906	325,907	67,450	562,263	428,838	76	133,425
1895.....	156,379	302,405	66,617	525,401	417,795	80	107,606
1896.....	158,329	302,376	70,055	530,760	366,347	69	164,413
1897.....	148,027	313,742	70,759	532,528	370,218	70	162,310

TABLE XII

THE ATLANTIC AND GULF RAILROAD ¹

	1867	1868	1869	1870	1871	1872	1873
Total earnings	\$619,874	\$603,059	\$784,329	\$1,031,971	\$1,044,667	\$,983,966	\$1,005,947
Total expense	475,113	453,217	520,446	643,729	685,680	664,426	700,819
Operating ratio...	76%	75%	66%	62%	66%	65%	69%
Surplus...	144,761	149,841	263,883	388,241	358,987	339,539	305,127

¹ *Commercial and Financial Chronicle*, vol. xiv, p. 354.
Vernon's Manual, 1874, p. 360.

TABLE XIII

COMPARATIVE STATEMENT OF THE BRUNSWICK AND WESTERN
1893-1900

	1893	1894	1895	1896
Miles operated.....	127	127	127	127
Gross earnings.....	\$625,397	\$611,410	\$531,766	\$536,726
Operating expenses.....	470,027	472,396	439,283	429,530
Operating ratio.....	75%	77%	80%	80%
Net earnings.....	\$155,370	\$138,814	\$112,483	\$107,196
Other receipts.....	14,624	10,319	9,902	7,326
Available revenue.....	169,994	149,133	122,385	114,452
Interest charges.....	103,040	103,390	103,390	103,390
Other payments.....	20,575	22,481	21,256	20,037
Surplus and deficits	S 46,379	D 16,738	D 42,261	D 8,975
	1897	1898	1899	1900
Miles operated.....	127	127	127	127
Gross earnings.....	\$572,048	\$629,398	\$658,820	\$672,293
Operating expenses.....	416,856	526,506	520,397	556,404
Operating ratio.....	73%	83%	80%	82%
Net earnings.....	\$155,192	\$102,892	\$138,423	\$115,889
Other receipts.....	10,220	8,090	8,550	4,257
Available revenue.....	165,412	110,982	146,973	120,146
Interest charges.....	103,390	103,390	103,390	103,390
Other payments.....	23,108	23,548	85,608	25,163
Surplus and deficits.....	S 38,914	D 15,956	D 42,025	D 8,407

TABLE XIV

COMPARATIVE FINANCIAL STATEMENT OF THE PETERSBURG AND THE RICHMOND AND PETERSBURG RAILROADS AT THE TIME OF THEIR CONSOLIDATION INTO THE ATLANTIC COAST LINE OF VIRGINIA

	<i>Petersburg</i> 1898	<i>Richmond and</i> <i>Petersburg</i> 1898	<i>Total, 1898</i>	<i>Total, 1897</i>
Miles of road operated..	67	27	94	93
Tons of freight moved...	85,494	238,398	323,892	322,945
Earnings:				
Passengers.....	\$115,551	\$109,501	\$225,053	\$235,325
Freight.....	415,860	221,380	637,240	579,036
Mail, express.....	62,876	28,199	91,075	79,539
Miscellaneous.....	6,457	61,430	67,888	56,602
Total.....	\$600,744	\$420,510	\$1,021,256	\$950,502
Expenses:				
Maintenance of way and structure.....	\$41,931	\$37,875	\$79,806	\$81,808
Equipment.....	62,881	33,666	96,547	83,698
Transportation.....	173,331	150,838	324,170	337,156
General.....	16,960	14,022	30,983	28,067
Total.....	\$295,103	\$236,401	\$531,506	\$530,729
Gross earnings per mile of line.....	\$9,904	\$15,291	\$10,763	\$10,145
Operating expenses per mile.....	\$4,554	\$8,596	\$5,601	\$5,664
Operating ratio.....	49%	55%	52%	57%

TABLE XV

THE ATLANTIC COAST LINE RAILROAD COMPANY OF VIRGINIA

	<i>Absorbed road, Petersburg R.R.</i>	<i>Absorbing road, Richmond and Petersburg</i>
	June 30, 1897	June 30, 1897
Mileage.....	66	27
Stock.....	\$1,284,300	\$1,000,000
Stock per mile.....	19,473	37,080
Bonds.....	1,694,000	640,500
Bonds per mile.....	25,680	23,720
Gross earnings.....	559,291	391,212
Earnings per mile.....	8,381	14,226
Expense.....	313,905	232,476
Expense per mile.....	4,704	8,453
Operating ratio.....	56%	59%

TABLE XVI

CONDITION OF THE VARIOUS LINES AT THE TIME OF CONSOLIDATION INTO THE ATLANTIC COAST LINE RAILROAD COMPANY

	Absorbing road	Absorbed roads		
	<i>Atlantic Coast Line R.R. Co. of Virginia</i>	<i>Atlantic Coast Line R.R. Co. of S.C.</i>	<i>Norfolk and Carolina</i>	<i>Wilmington and Weldon</i>
June 30, 1899.....				
Mileage.....	94	676	111	168
Stock.....	\$3,000,000	\$4,426,200	\$2,500,000	\$3,000,000
Stock per mile...	31,600	6,535	22,530	17,858
Bonds.....	2,308,500	7,649,000	1,720,000	9,580,000
Bonds per mile...	24,255	11,300	15,495	56,353
Gross earnings...	1,165,606	2,041,536	707,851	2,311,464
Earnings per mile	11,958	2,845	6,358	13,597
Expenses.....	682,626	1,233,634	398,344	1,268,887
Expenses per mile	7,003	1,719	3,578	7,464
Operating ratio...	59%	60%	56%	55%

TABLE XVII

COMPARATIVE STATEMENT OF THE ATLANTIC COAST LINE RAILROAD COMPANY AND THE SAVANNAH, FLORIDA, AND WESTERN RAILWAY COMPANY IN 1900

	Absorbing road <i>Atlantic Coast Line R.R. Co.</i>	Absorbed road <i>Savannah, Florida, and Western Ry. Co.</i>
June 30, 1900:		
Mileage owned.....	1,716	1,025
Stock.....	\$34,280,500	\$9,432,900
Stock per mile.....	19,950	9,205
Bonds.....	24,526,500	28,906,500
Bonds per mile.....	13,640	28,201
Gross earnings.....	7,586,745	4,390,650
Earnings per mile.....	4,306	4,283
Expense.....	4,311,598	3,202,153
Expense per mile.....	2,450	3,123
Operating ratio.....	57%	73%

TABLE XVIII
EARNINGS AND EXPENSES OF THE ATLANTIC COAST LINE RAILROAD COMPANY, 1900-1915

<i>Year</i>	<i>Passengers</i>	<i>Freight</i>	<i>Mail and express</i>	<i>Miscellaneous</i>	<i>Total</i>	<i>Mileage</i>	<i>Earnings per mile</i>	<i>Maintenance of way and structure</i>	<i>Maintenance of equipment</i>	<i>Conducting transportation</i>	<i>General expense</i>	<i>Total</i>	<i>Expenses per mile</i>	<i>Operating ratio</i>
1900	\$1,529,219	\$5,245,306	\$463,748	\$348,473	\$7,586,746	1,759	\$4,306	\$1,143,671	\$938,381	\$2,023,394	\$206,150	\$4,311,598	\$2,450	56%
1901	1,541,392	5,620,460	459,810	293,436	7,915,939	1,759	4,500	1,087,005	1,069,067	2,289,832	198,925	4,644,829	2,640	59
1902	1,753,813	5,978,109	460,111	357,493	8,549,526	1,756	4,867	1,276,824	943,000	2,313,352	205,811	4,738,987	2,689	55
1903	3,834,868	14,046,395	1,130,080	671,113	19,682,456	4,138	4,755	2,995,369	2,153,309	6,194,359	567,298	11,910,337	2,878	60
1904	4,295,548	14,336,934	1,269,243	643,250	20,544,975	4,192	4,901	2,790,234	1,846,282	6,882,190	591,758	12,110,464	2,889	59
1905	4,893,331	15,383,080	1,263,962	682,529	22,222,902	4,307	5,160	3,147,649	2,225,362	7,478,765	593,990	13,445,767	3,122	60
1906	5,436,173	17,374,525	1,313,990	743,759	24,868,448	4,204	5,747	3,427,550	3,092,487	8,904,690	655,002	16,082,320	3,716	65
1907	6,083,991	18,443,695	1,382,156	861,686	26,771,528	4,227	6,159	3,909,737	3,946,012	10,988,157	743,470	19,587,377	4,506	73
1908	6,279,584	17,739,172	1,398,377	611,919	26,029,052	4,273	5,963	3,820,253	4,093,946	10,401,115	656,427	18,971,742	4,346	73
1909	5,842,059	18,323,176	1,427,708	546,121	26,144,064	4,366	5,895	3,566,702	3,081,456	8,950,806	744,396	15,943,361	3,820	65
1910	6,773,332	20,870,397	1,570,827	595,711	29,810,267	4,374	6,651	3,760,196	4,275,965	9,726,158	850,835	18,014,157	4,153	62
1911	7,723,853	21,587,361	1,637,010	674,214	31,622,449	4,382	7,036	3,926,568	4,583,889	11,093,917	843,163	20,447,536	4,549	65
1912	8,407,624	22,452,360	1,768,566	835,007	33,463,557	4,524	7,395	4,273,544	5,030,547	12,318,869	910,621	22,541,582	4,981	67
1913	8,931,896	24,497,523	1,869,577	804,135	36,123,071	4,495	7,893	4,667,356	5,581,307	13,439,780	947,086	24,635,531	5,342	68
1914	9,212,170	24,825,312	1,939,994	855,301	36,832,780	4,567	7,927	5,116,944	6,094,705	13,768,085	1,232,351	26,212,087	5,641	71
1915	7,853,539	21,064,187	1,739,187	878,456	31,536,474	4,608	6,844	4,572,650	5,438,461	11,952,624	990,923	24,493,313	5,316	78

TABLE XIX

RESULTS OF WORK OF IMMIGRATION AND AGRICULTURAL
DEPARTMENT OF THE ATLANTIC COAST LINE
RAILROAD COMPANY

<i>Year</i>	<i>Number of heads of families located</i>	<i>Number of new business enterprises located</i>
1905.....	573.....	188
1906.....	241.....	334
1907.....	578.....	177
1908.....	667.....	154
1909.....	1,151.....	140
1910.....	2,966.....	168
1911.....	3,521.....	229
1912.....	3,844.....	215
1913.....	2,844.....	189
1914.....	2,913.....	207
1915.....	3,084.....	315

BIBLIOGRAPHICAL NOTE

BIBLIOGRAPHICAL NOTE

IN few fields of investigation are the sources of information so widely scattered as in that of transportation. Those of the Atlantic Coast Line Railroad are no exception, and it has been necessary to consult most of the libraries and collections located in the states through which the road passes, as well as the Congressional Library and the collection of the Bureau of Railway Economics in Washington. The collection of manuscripts of Lieutenant Maury and Governor Hammond in the manuscripts division of the Congressional Library give an insight into the economic conditions of Virginia and the Carolinas respectively.

The State Library of Virginia has a complete file of the Reports of the Board of Public Works of that state. This file is invaluable in any work connected with the internal improvements of the state. This collection contains a complete set of Reports of the Richmond and Petersburg and the Petersburg Railroads. This is the only complete set of Reports of the former road. The copies belonging to the road itself were destroyed when the Confederate army evacuated Richmond in April, 1865. The only other set of Reports of the latter road are in the office of the treasurer of the company at Wilmington, North Carolina. This office has a complete set of Reports of the Wilmington and Weldon Railroad also. The next most valuable source of information in the Virginia State Library is the file of newspapers. Unique among these are the bound copies of the *Railroad Advocate*, published in the early thirties at Rogersville, Tennessee, by an "association of gentlemen." So far as is known this is the only file in existence. The sole object of the paper was to champion the cause of railroads against water transportation. The little town of Rogersville is situated in the territory which would have been benefited by the building of the Charleston and Cincinnati Railroad. The Virginia State Library has also great numbers of manuscripts, but as yet they are not so arranged as to be of material use to the investigator.

The North Carolina State Library has perhaps the best newspaper file to be found anywhere on the South Atlantic Coast. The North Carolina Historical Commission is bringing to light many valuable documents and arranging them chronologically under the heading of the name of the official. From these much

of the information with regard to the early rate controversies and friction between the railroads and the Confederate government, was secured.

The treasurer of the Atlantic Coast Line Railroad Company has in his office files of the Reports of many of the constituent roads and copies of all contracts into which the road has entered. Complete access was given to all of these. The officials have been generous in furnishing all the information at their disposal and documents in their possession.

The best single source of facts with reference to Georgia is to be found in the DeRenne private library at Savannah, Georgia. The books in this library have been catalogued alphabetically according to subject and the catalogue published. The University of Georgia Library is particularly rich in early newspapers of the state. The files run roughly from 1785 to 1845.

The chief single source of information with regard to the Atlantic Coast Line Railroad is, of course, the Reports of the constituent roads. Many of these are not now in existence, having been destroyed in the Baltimore and other fires. Enough, however, have been preserved in the various railroad and financial publications and manuals, such as the *Commercial and Financial Chronicle*, *Railroad Gazette*, *American Railroad Journal*, *Poor's Manual*, and *Vernon's Railroad Manual*, to show the changing financial condition of the roads.

Finally, many interesting sidelights were thrown on the history of the road by personal interviews with men who have lived on it and seen its development.

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The Riverside Press
CAMBRIDGE . MASSACHUSETTS
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